

WEST COAST DISTRICT MUNICIPALITY

ANNUAL REPORT

2016/2017



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CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: EXECUTIVE MAYOR'S FOREWORD



My fellow citizens of the Weskus (Afrikaans translation of West Coast), it is a privilege to use this opportunity to engage with you and report on the activities of the past financial year.

And as I have just intimated, whilst there are many West Coasts around the world, this is the only Weskus so let us embrace this unique brand opportunity.

I feel privileged as I have been afforded a second term as Executive Mayor of the West Coast District Municipality, which placed me in an informed and conscientious position when I started the second term during the past financial year. This had many practical benefits of being orientated to the region and organisation which I would lead once again, but also to be privy to the challenges which the region and its people face.

The challenges are indeed varied and many, but are all imbedded in the old culprits of inter-generational poverty and inequality, and how this manifests in the rapidly decaying social fabric of the West Coast region, through a vicious circle of dependence on substances, crime and violence, combined with a rogue moral compass which leaves the norms and social standards of our community at a loss.

So although it is my privilege to report on the Seventh consecutive Clean audit for West Coast District Municipality, this should indeed be a beacon for improved service delivery and change to the quality of life of our people. With this in mind, this term of office has been themed around improving the social fabric of the West Coast, which will be the golden thread of the programmes of council and the administration during this term.



I remain hopeful in the face of this dire picture and the challenges it imposes, due to the fact that the council is endowed with capable and willing individuals, both within the council benches and within the administration. My sincere appreciation goes out to each of you for contributing once again to the status of a clean audit: this would not have been possible without your unfailing effort and commitment.

Come and take hands with the West Coast District Municipality in improving service delivery to our citizens, working together when individual efforts are not enough, and partnering for the continued benefit of all our communities.

ALD JH CLEOPHAS
EXECUTIVE MAYOR



COMPONENT B: EXECUTIVE SUMMARY – MUNICIPAL MANAGER'S OVERVIEW



As accounting officer, it is my privilege to provide an overview of performance over the past year, as set out in the Annual Report, which has been prepared in accordance with Circular 63 of National Treasury.

Achievements worthy of note include a seventh consecutive Unqualified Audit opinion without matters. This achievement is the culmination of a continued and diligent effort by the Executive Mayor and Council and the administration to ensure an efficient, effective and accountable administration. It truly gives effect to the strategic objective of ensuring good governance and financial viability. We need to acknowledge the advisory and supportive role of a competent Audit Committee, Municipal Public Accounts Committee (MPAC) and the Office of the Auditor-General. Your guidance and consult throughout this period has been invaluable.

When assuming office, the Executive Mayor placed particular emphasis on the imposing threat of decaying social fabric and resultant moral decay. In his words, this threat is no longer prevalent only in cities and high density areas, but is becoming a harsh reality within the West Coast district. Hence the term of office was themed "Restoring the social fabric in the West Coast". This has permeated in focused social programmes, integrating our district municipal functions and competencies in such a way, so as to harness all our resources in addressing this threat. In addition, our co-ordinating, supporting and value-creation role as a district municipality was utilised to flag this important issue at National, Provincial and district Inter-Governmental fora.

Another acute threat facing our beautiful district, is the imminent shortage and decreasing levels of our water supply systems in the low levels of dams. This is foremost on almost all district agendas and has been augmented through the drought disaster work that has been co-ordinated through the Disaster Management Centre. Let us all heed the call to reduce, re-use and recycle as far as possible.

West Coast was the first region after the City of Cape Town, to strongly promote responsible tourism and hosted the second Responsible Tourism Conference during September 2016 which was very successful with the attendance of delegates from the community of the West Coast and surrounds. High profile speakers gave presentations on their areas of expertise.

The main aim of this programme is to make the people of the West Coast aware of the fact that no business can be sustainable if it is not managed in a responsible way by taking the social, environmental and economic aspects into account.



Allow me to use this space, to bring tribute to one of the longest serving councilmen of the district municipality, Alderman J Josephus, fondly known as Boeta Josephus. Ald. Josephus served this council with pride for many years, and his service can be distinguished for knowing the plight of the poor, and wanting to make a difference to the lives of the citizens of the West Coast.

Key international programmes such as the partnership with KIEZ for international youth development, leadership and cultural exchange continue under the auspices of the social development programme. This forms part of a carefully selected portfolio of partnerships, such as the partnership with the National Department of Co-operative governance. Our Business Development Forum was also presented to the new Executive Mayoral Committee, as part of the BDF induction process. Our sincere appreciation goes out to industry for their unwaivering support and commitment to this process. These programmes attest to the district municipality's striving to achieve as much as possible, with the resources at our disposal. Which brings me to the root of all evils, but alas, without which we cannot do anything.

The total operating budget for the Municipality was R347 360 037 and actual income for the year amounted to R362 269 874 and expenditure of R321 837 350. The Municipality thus incurred an operating surplus of R40 882 524. Capital expenditure was 95.99% amounting to R10 851 693. The municipality spent 98.24% of its conditional grant transfers from National and Provincial Departments. Due to the nature of its functions, the Municipality is limited in its revenue streams. The municipality's credit rating remains unchanged at stable and accounted for a positive cash flow. The administration is mindful of the pressure on the national fiscus and is implementing austerity measures to ensure the financial sustainability of the institution. It is our task to effectively manage the municipality's assets in order to enable services to respond to changing needs and demands.

I can report that all senior and critical positions are filled and that the incumbents meet the minimum competency requirements for senior managers.

In conclusion, I would like to recognise the councillors and my colleagues at the West Coast District Municipality. It is indeed an honour and privilege to be serving with such a dedicated and committed group of individuals, without whom the milestones in this report, would not have been possible. Thank you for always putting the citizens and the West Coast District Municipality first.

Henry F Prins
Municipal Manager



1.1 VISION AND MISSION OF THE WEST COAST DISTRICT MUNICIPALITY

VISION

A quality destination of choice through an open opportunity society.

MISSION

To ensure outstanding service delivery on the West Coast by pursuing the following objectives:

STRATEGIC OBJECTIVES

These objectives also correspond with priorities at the global, national and provincial level and align with the strategic intent. As early as 2003, the United Nations Development Programme outlined five central challenges facing sustainable development in South Africa in the South Africa Human Development Report (UNDP:2003):

- The eradication of poverty and extreme income and wealth inequalities.
- The provision of access to quality and affordable basic services to all South Africans.
- The promotion of environmental sustainability.
- A sustained reduction in the unemployment rate.
- The attainment of sustainable high growth rates.

The fact that the five high-level strategic objectives that have been identified by the West Coast District Municipality are in line with these challenges emphasises that the District Municipality continues to confront the issues of the country and, in particular, of the district. The District Municipality's objectives are as follows:

- Ensuring environmental integrity for the West Coast.
- Ensuring good governance and financial viability.
- Pursuing economic growth and facilitation of job opportunities.
- Promoting the social wellbeing of the community.
- Providing essential bulk services in the region.

CORE VALUES

- Integrity – to conduct business with integrity and be accountable to stakeholders.
- Transparency – to be transparent and open in our business.
- Loyalty – to be honest.
- Ethics – to display moral values in our behaviour.
- Respect – to treat the public and colleagues with fairness, respect and consideration.
- Quality – to be committed to delivering good quality services.



1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1.2.1 INTRODUCTION: BACKGROUND DATA

The West Coast District Municipality, a category C municipality, comprises five local municipalities. The District covers an area of 31 099 km² (31 124.24 km² Community Survey South Africa (2016) estimated the population of the entire West Coast region to be 416 025.

Figure 1.1 Map of the West Coast District Municipality



1.2.2 HEADQUARTERS OF THE CATEGORY B MUNICIPALITIES

The West Coast District is a category C municipality, situated in Moorreesburg and comprises the following category B local municipalities: Matzikama, Cederberg, Bergrivier, Saldanha Bay and Swartland.

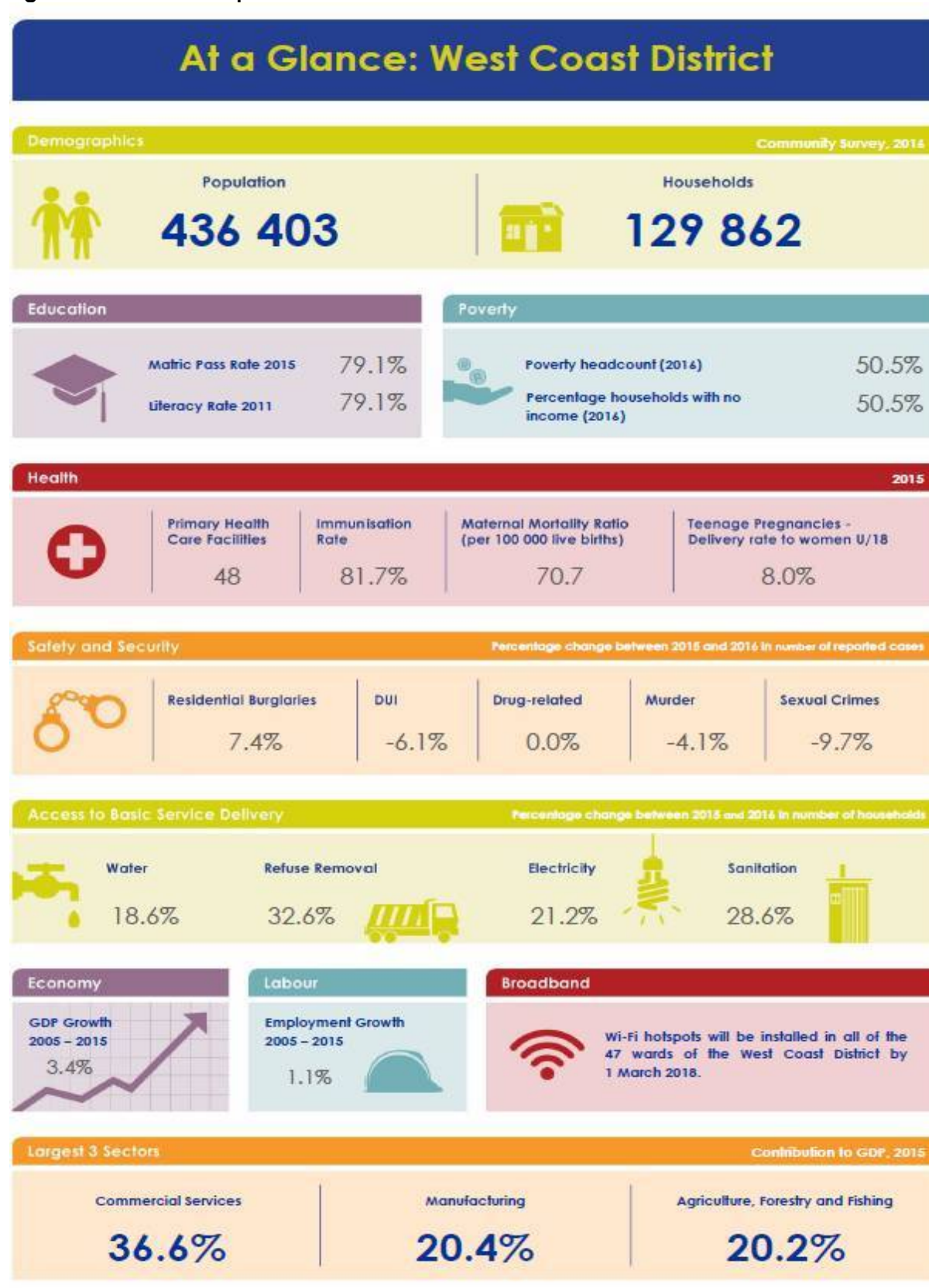
The table below sets out the various municipalities that make up the West Coast District Municipality, along with their provincial codes and principal administrative centres.

Table 1.1: Municipalities within the West Coast District Municipality

Code	Local municipality	Headquarters
WC013	Bergrivier Municipality	Piketberg
WC012	Cederberg Municipality	Clanwilliam
WC011	Matzikama Municipality	Vredendal
WC014	Saldanha Bay Municipality	Vredenburg
WC015	Swartland Municipality	Malmesbury



Figure 1.2: Western Cape – Socio Economic Profile



Source: Western Cape Provincial Treasury 2015

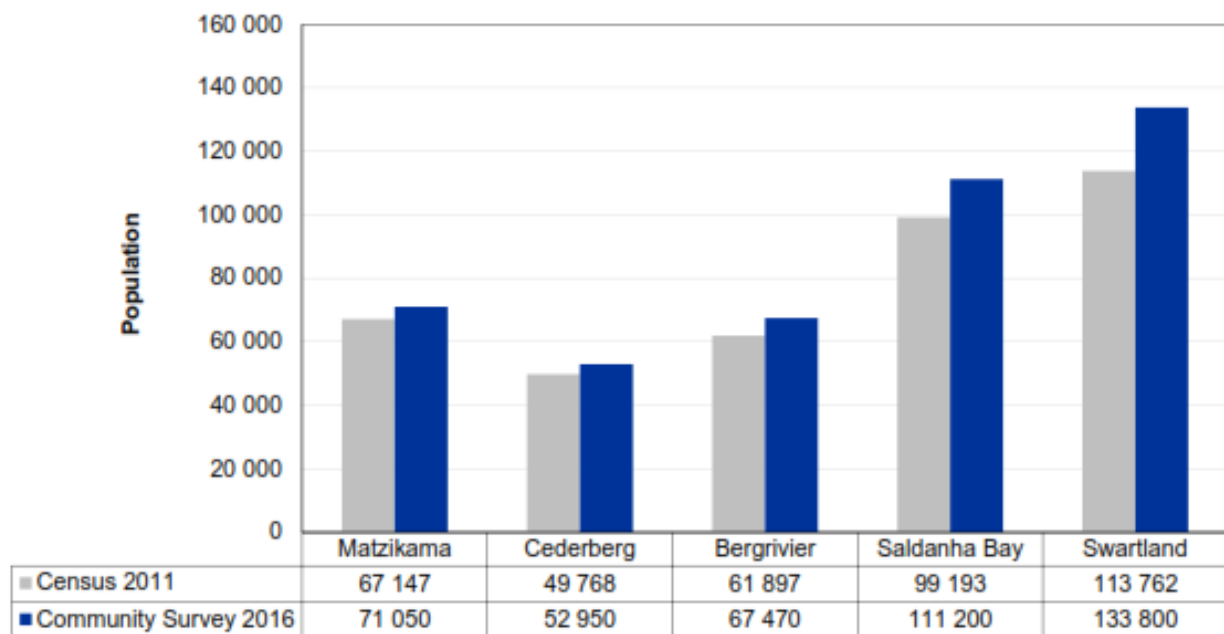


Population

The total population of people within the WCD increased significantly between 2011 and 2016, according to official data from Statistics South Africa. Swartland's population increased the most during this period, followed by Saldanha Bay. Figure 1.3 shows that Swartland's population increased by a significant 17.6 per cent between 2011 and 2016, followed by Saldanha Bay (12.1 per cent) and Bergrivier (9 per cent).

There were increases in Cederberg and Matzikama's populations between the Census 2011 and the Community Survey 2016, but not as high as that experienced by the other three municipalities. Migration due to employment prospects as well as better access to basic services could be one of the reasons for the population increases mainly in Swartland, Saldanha Bay and Bergrivier.

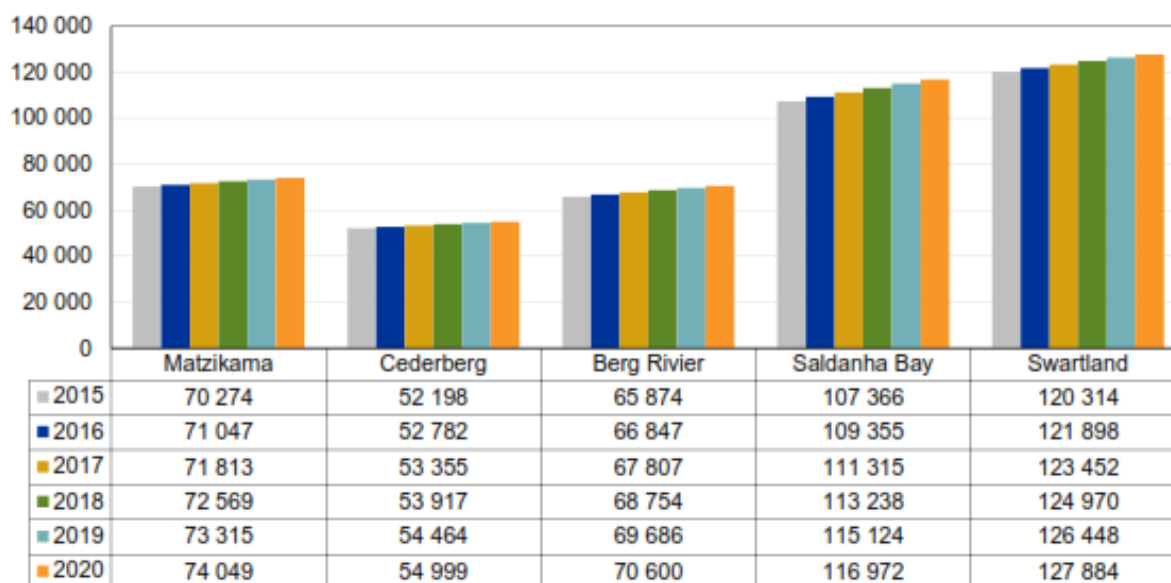
Figure 1.3: Population trends in the West Coast



Source: Stats SA Census 2011; Community Survey 2016



Figure 1.4 West Coast District Projections 2015 – 2020



Source: Department of Social Development 2015

Household numbers

The number of households per municipality within the WCD has also increased between 2011 and 2016 as shown in Table 1.4. It can be seen in the table that 6.7 per cent of households in the province live in the WCD.

Table 1.4: No of households in the West Coast District

West Coast District	Census 2011	Community Survey 2016
Matzikama	18 835	20 821
Cederberg	13 513	15 279
Bergrivier	16 275	19 072
Saldanha Bay	28 835	35 550
Swartland	29 324	39 139
West Coast District	106 781	129 862
% of Western Cape	6.5	6.7

Source: Statistics South Africa Census 2011 and Community Survey 2016

Household income

The annual household income for municipalities within the WCD is presented in Table 1.4 and this shows proportion of people that fall within low, middle and high income brackets. An increase in living standards can be evidenced by a rising number of households entering the middle and high income brackets. It can be seen that the majority of households (51.4 per cent) in the WCD fall within the low income brackets, but there is a significant proportion falling within the middle income bracket (41.8 per cent) and high income bracket (6.9 per cent).



Table 1.5: Annual household income for West Coast District Municipalities 2016

Income	West Coast District	Matzikama	Cederberg	Bergervier	Saldanha Bay	Swartland	
No income	10.7	8.1	9.6	9.4	14.1	10.4	
R1 - R6 327	1.8	1.8	1.6	1.5	2.3	1.4	
R6 328 - R12 653	3.1	3.3	3.3	1.9	3.9	2.9	Low Income
R12 654 - R25 306	14.0	17.3	18.3	13.7	10.9	13.1	
R25 307 - R50 613	21.8	24.9	25.2	22.4	17.4	22.1	
R50 614 - R101 225	19.2	18.3	20.7	21.8	16.6	20.1	
R101 226 - R202 450	13.2	11.6	10.4	14.0	15.2	13.0	Middle Income
R202 451 - R404 901	9.4	8.5	6.5	9.1	11.5	9.5	
R404 902 - R809 802	4.9	4.4	3.2	4.5	5.7	5.3	
R809 203 - R1 619 604	1.3	1.1	0.7	0.8	1.7	1.6	
R1 619 605 - R3 239 208	0.4	0.5	0.2	0.4	0.5	0.3	High Income
R3 239 207 or more	0.3	0.3	0.1	0.4	0.3	0.2	

Source: Quantec/Urban-Econ calculations, 2016

West Coast District expenditure on goods and services

The table below shows that the combined spending on services and non-durable goods comprises over 70 per cent of total expenditure across all municipalities in the West Coast District. Households within Cederberg spends the least (11.6 per cent). Not surprisingly, households in Cederberg tend to spend the most on non-durable goods (34.9 per cent).

Table 1.6: West Cost District expenditure on goods and services

	West Coast District		Matzikama		Cederberg		Bergervier		Saldanha Bay		Swartland	
Good and services	Rand millions 2016	% of total	Rand millions 2016	% of total	Rand millions 2016	% of total	Rand millions 2016	% of total	Rand millions 2016	% of total	Rand millions 2016	% of total
Durable goods	1 051.33	12.6	134.85	13.1	86.84	11.6	158.28	12.6	378.12	12.5	293.23	12.7
Semi-durable goods	902.03	10.8	101.56	9.9	72.33	9.6	114.99	9.1	342.11	11.3	271.04	11.8
Non-durable goods	2 641.62	31.5	316.91	30.8	262.22	34.9	400.35	31.8	954.37	31.5	707.77	30.8
Services	3 777.85	45.1	475.97	46.2	329.70	43.9	586.32	46.5	1 357.85	44.8	1 028.01	44.7
Total	8 372.83	100	1 029.29	100	751.10	100	1 259.94	100	3 032.45	100	2 300.05	100

Source: Quantec/Urban-Econ, 2016



Poverty

Results from Statistics South Africa's Community Survey 2016, shows that the intensity of poverty in the Western Cape declined to 40.1 per cent in 2016 from 42.6 per cent in 2011 as indicated in Table 5.5.

Table 1.7: Poverty headcount in West Coast District municipalities

Municipality	Poverty headcount		Poverty intensity	
	2011	2016	2011	2016
Matzikama	3.4	0.8	42.4	42.5
Cederberg	2.8	3.6	42.9	45.7
Bergrivier	1.0	1.6	43.7	41.5
Saldanha Bay	2.2	6.7	41.0	45.4
Swartland	1.0	0.9	40.6	39.9
West Coast District	2.0	2.9	41.9	44.5
Western Cape	3.6	2.7	42.6	40.1

Source: Stats SA Community Survey 2016

Human dwellings and access to basic services

The extent of human development within a municipality is to a large extent influenced by access to housing as well as basic services such as water, electricity, sanitation and refuse removal, with high access levels implying better human development and vice versa. Table 1.7 shows recent statistics relating to the provision of housing within the West Coast District.



Table 1.8 Dwelling per type per municipality in the West Coast District

Dwelling type	West Coast District		Matzikama		Cederberg		Bergrivier		Saldanha Bay		Swartland	
	Number 2016	% of total	Number 2016	% of total	Number 2016	% of total	Number 2016	% of total	Number 2016	% of total	Number 2016	% of total
House or brick structure on a separate stand or yard	94 728	78.9	16 196	77.4	11 987	79.4	14 443	79.5	25 260	77.0	26 841	81.0
Traditional dwelling/hut/ structure made of traditional materials	640	0.5	89	0.4	125	0.8	186	1.0	141	0.4	98	0.3
Flat in a block of flats	2 272	1.9	475	2.3	311	2.1	375	2.1	399	1.2	712	2.1
Town/cluster/ semi-detached house (simplex, duplex or triplex)	5 252	4.4	1 334	6.4	541	3.6	1 231	6.8	424	1.3	1 722	5.2
House/flat/ room, in backyard	1 658	1.4	337	1.6	148	1.0	418	2.3	273	0.8	482	1.5
Informal dwelling/shack, in backyard	5 615	4.7	618	3.0	493	3.3	488	2.7	1 758	5.4	2 258	6.8
Informal dwelling/shack, NOT in backyard, e.g. in an informal/ squatter settlement	7 601	6.3	1 473	7.0	1 278	8.5	178	1.0	4 189	12.8	484	1.5
Room/flatlet not in backyard but on a shared property	991	0.8	111	0.5	65	0.4	509	2.8	138	0.4	168	0.5
Other/ unspecified/NA	1 367	1.1	286	1.4	150	1.0	332	1.8	221	0.7	378	1.1
Total	120 124	100	20 919	100	15 099	100	18 160	100	32 804	100	33 142	100

Source: Quantec/Urban-Econ calculations, 2016

Tabel 1.9: Access to basic services

Municipality	Piped water			Flush/chemical toilet			Connected to electricity
	2011	2016	% change	2011	2016	% change	
Matzikama	18 318	20 461	11.7	13 238	19 822	49.7	20 232
Cederberg	13 387	14 030	4.8	11 182	13 511	20.8	14 100
Bergrivier	16 169	18 484	14.3	14 594	18 666	27.9	18 628
Saldanha Bay	28 660	32 063	11.9	27 766	30 496	9.8	30 745
Swartland	29 176	36 210	24.1	26 679	37 660	41.2	38 501
West Coast District	105 710	121 247	14.7	93 459	120 155	28.6	122 205

Source: Stats SA Community Survey 2016



Education levels

Primary school education is important as it is a foundation for human development and therefore the existence of individuals without any form of schooling is a concern to decision-makers at local, provincial and national government. In Table 1.10 above it can be seen that Swartland has the largest number of people without any form of schooling (3 883), followed by Bergervier (2 228), Cederberg (2 219), Matzikama (2 174) and Saldanha Bay has the least number (1 390). Table 5.9 also shows that Saldanha Bay has the largest proportion of adults with Grade 12 or higher (84.3 per cent), followed by Swartland (74.5 per cent), Matzikama (70.8 per cent), Bergervier (69.6 per cent), and Cederberg (66.1 per cent). Saldanha Bay's proportion of adults with Grade 12 or higher is higher than the WCD average.

Tabel 1.10: Education levels within the West Coast District

	West Coast District		Matzikama		Cederberg		Bergervier		Saldanha Bay		Swartland	
Municipality	Education Level (Number) 2016	% of the total adult population	Education Level (Number) 2016	% of the total adult population	Education Level (Number) 2016	% of the total adult population	Education Level (Number) 2016	% of the total adult population	Education Level (Number) 2016	% of the total adult population	Education Level (Number) 2016	% of the total adult population
No schooling	11 894	4.1	2 174	4.6	2 219	6.1	2 228	5.1	1 390	1.7	3 883	4.6
Some primary	41 371	14.1	7 876	16.5	8 820	18.8	7 316	16.8	7 209	9.0	12 149	14.2
Complete primary	20 465	7.0	3 875	8.1	3 279	9.0	3 657	8.4	3 939	4.9	5 716	6.7
Some secondary	115 879	39.6	19 777	41.5	14 307	39.4	15 855	36.5	33 985	42.6	31 955	37.5
Grade 12/ Std 10	77 146	26.4	10 329	21.7	8 098	22.3	10 660	24.5	25 255	31.7	22 804	26.7
Higher	25 729	8.8	3 602	7.6	1 588	4.4	3 755	8.6	7 974	10.0	8 810	10.3
Total	292 484	100	47 633	100	36 310	100	43 472	100	79 752	100	85 317	100

Source: Quantec/Urban-Econ calculations, 2016

HEALTH


The Western Cape Province has a range of primary healthcare facilities includes 26 fixed clinics, 14 mobile/satellite clinics, 1 community day centre and 7 district hospitals are situated within the West Coast District.

Health indicators analysed in this section to measure the extent of human development include the child and maternal health as well as ART and TB patient loads. These indicators can provide pointers for life expectancy within an economy. South Africa's life expectancy dropped to 50.4 years in 2010 from 61.7 years in 1995.

The HIV and TB patient load in each municipality within the WCD is shown in Table 1.11 below. Table 1.11 shows an increase in the ART patient load in the Western Cape Province between March 2013 and March 2015. The increasing HIV/AIDS patient loads can adversely affect economic activity within the province, its districts and local municipalities. In the WCD, only Matzikama and Saldanha Bay experienced



Tabel 1.11: ART within the West Coast District

	Health Indicator	West Coast	Western Cape
	Total registered patients receiving ART	7 651	203 565
	Number of new ART patients	1 790	43 363
	HIV Transmission Rate	1.4%	1.4%

Municipality	HIV - Antiretroviral treatment					Tuberculosis			
	ART patient load March 2013	ART patient load March 2014	ART patient load March 2015	Mother-to-child transmission rate	Number of ART clinics/ treatment sites 2015	Number of TB patients 2012/13	Number of TB patients 2013/14	Number of TB patients 2014/15	Number of TB clinics/ treatment sites 2015
Matzikama	569	812	901	3.0%	8	1 004	1 015	950	21
Cederberg	880	1 063	1 295	1.2%	5	5 557	599	612	11
Bergrivier	466	601	726	0.0%	9	395	425	452	12
Saldanha Bay	1 435	1 779	2 054	0,5%	6	852	867	748	11
Swartland	1 211	1 298	1 545	3.2%	13	700	667	831	18
Total West Coast District	4 561	5 553	6 521	1.4%	41	3 508	3 573	3 593	73
Western Cape	9 122	11 106	13 042	1.4%	259	7 016	7 146	7 186	146

Source: Western Cape Department of Health, 2015

SUMMARY

This section explored the impact of economic performance on the socio-economic conditions of communities living in municipalities within the WCD using a selected number of indicators. Table 1.12 is a summary of the recent trends in some social and economic indicators at different municipalities.



Tabel 1.12: Summary of recent changes in various social indicators in the West Coast District

Indicator	West Coast District	Matzikama	Cederberg	Saldanha Bay	Bergervier	Swartland
GDPR growth						
Human Development Index	Decrease	Decrease	Unchanged	Decrease	Increase	Decrease
Population	Increase	Increase	Increase	Increase	Increase	Increase
Indigent households	Increase	Decrease	Increase	Increase	Decrease	Increase
Households with no income	10.7% of total	Below WCD average	Below WCD average	Above WCD average	Below WCD average	Below WCD average
Gini coefficient	Increase	Decrease	Increase	Increase	Increase	Decrease
Poverty headcount	Increase	Decrease	Increase	Increase	Increase	Decrease
Poverty intensity	Increase	Increase	Increase	Increase	Decrease	Decrease
Informal dwelling	11% of total dwellings	Below WCD average	Above WCD average	Above WCD average	Below WCD average	Below WCD average
Access to water	Increase	Increase	Increase	Increase	Increase	Increase
Access to electricity	Increase	Increase	Increase	Increase	Increase	Increase
Access to sanitation	Increase	Increase	Increase	Increase	Increase	Increase
Access to refuse removal	Increase	Increase	Increase	Increase	Increase	Increase
No schooling	4.1% of total population	Above WCD average	Above WCD average	Below WCD average	Above WCD average	Above WCD average
Grade 12 or higher certificate	35.2% of total population	Below WCD average	Below WCD average	Above WCD average	Below WCD average	Above WCD average
ART patient load	Increase	Increase	Increase	Increase	Increase	Increase
No. of TB patients	Increase	Decrease	Increase	Decrease	Increase	Increase
Immunisation coverage	Below WC average	Above WCD average	Above WCD average	Below WCD average	Below WCD average	Above WCD average
Birth weight	Below WC average	Above WCD average	Above WCD average	Below WCD average	Above WCD average	Below WCD average
Teenage pregnancies	Above WC average	Above WCD average	Above WCD average	Below WCD average	Above WCD average	Below WCD average



1.3 SERVICE DELIVERY OVERVIEW

INTRODUCTION

The delivery of services by the West Coast District Municipality is informed by the powers and functions vested in a District Municipality as contemplated in Schedules 4 and 5 of the Constitution of South Africa, Act 108 of 1996, as well as the Municipal Structures Act, 117 of 2008.

Services like potable water, sanitation, electricity, streets and community services are rendered by the local municipalities.

The District is responsible for Environmental Health, Fire Services in terms of section (1)(i) and (j) of the Municipal Structures Act. The District Municipality maintain all gravel roads in the district on an agency basis for the Department of Public Works and Transport of the Western Cape Government.

West Coast District Municipality supplies bulk water to 3 of the 5 local municipalities as well as to various farms in the district.

Table 1.3.1: Access to water: West Coast District Municipality

Municipality	Water			Electricity			Sanitation			Refuse		
	2014	2015	% change	2014	2015	% change	2014	2015	% change	2014	2015	% change
Matzikama	9 546	10 268	7.6	11 900	13 055	8.8	9 311	9 686	3.9	9 601	9 693	1.0
Cederberg	8 407	8 645	2.8	8 820	9 227	4.4	8 504	8 899	4.4	8 407	8 642	2.8
Bergvriervier	8 453	8 728	3.3	8 548	9 008	5.1	8 815	8 950	1.5	8 748	8 941	2.2
Saldanha Bay	24 821	27 220	9.7	23 662	26 833	11.8	24 821	27 220	8.8	22 468	22 468	0.0
Swartland	19 801	20 351	2.8	15 859	16 930	6.3	18 392	19 466	5.5	18 346	18 713	2.0

Source: Non-Financial Census of Municipalities, Stats SA 2016

The Table shows that access levels for water, electricity, sanitation and refuse removal within municipalities in the WCD increased between 2014 and 2015. This implies that there is an improvement in the living conditions for households and therefore positive implications for human and economic development in the region.



Table 1.3.2: Access to basic services

Municipality	Piped water			Flush/chemical toilet			Connected to electricity
	2011	2016	% change	2011	2016	% change	2016
Matzikama	18 318	20 461	11.7	13 238	19 822	49.7	20 232
Cederberg	13 387	14 030	4.8	11 182	13 511	20.8	14 100
Bergviver	16 169	18 484	14.3	14 594	18 666	27.9	18 628
Saldanha Bay	28 660	32 063	11.9	27 766	30 496	9.8	30 745
Swartland	29 176	36 210	24.1	26 679	37 660	41.2	38 501
West Coast District	105 710	121 247	14.7	93 459	120 155	28.6	122 205

Source: Stats SA Community Survey 2016



1.4 FINANCIAL HEALTH OVERVIEW

1.4.1 INTRODUCTION

The Department of Finance is responsible for the management of the corporate financial services of the municipality in order to ensure maximum utilisation of the available financial resources.

Table 1.12: Financial overview for 2016/2017 (R'000)

Details	Original budget	Adjustment budget	Actual
Income			
Grants	87 024	90 334	88 917
Taxes, levies and tariffs	112 744	112 744	114 321
Other	146 966	146 965	159 032
Sub total	346 734	350 043	362 270
Less expenditure	344 050	347 360	321 387
Net surplus/(deficit)	2 683	2 683	40 883

Table 1.13: Operating ratios

Detail	%
Employee cost	49
Repairs and maintenance	18
Finance charges and depreciation	7

Table 1.14: Total capital expenditure over three years (R'000)

Detail	2014/2015	2015/2016	2016/2017
Original budget	47 993	8 315	11 305
Adjustment budget	16 164	7 162	11 305
Actual	16 155	6 440	10 852

Table 1.15: Financial Performance: Local Bodies Section

Financial Performance: Local Bodies Section					
Details	2015/2016	2016/2017			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	2 651 241	2 424 000	2 424 000	2 200 022	9.24%
Expenditure:					
Employees	-	-	-	-	-
Repairs and maintenance	-	-	-	341 993	-
Other	2 613 306	2 424 000	2 424 000	1 858 006	23.35%
Total Operating Expenditure	2 613 306	2 424 000	2 424 000	2 199 999	9.24%
Net Operating Expenditure					
					T1.15

Table 1.16: Financial Performance: Contributions & Grants

Financial Performance: Grants / Other Income					
Details	2015/2016	2016/2017			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	83 029 128	76 932 500	76 932 500	88 996 817	(15.68%)
Expenditure:					
Employees	8 846 937	8 210 500	8 210 500	296 686	96.39%
Repairs and maintenance	-	-	-	-	-
Other	1 278 549	346 500	346 500	-	100%
Total Operating Expenditure	10 125 486	8 557 000	8 557 000	296 686	96.53%
Net Operating Expenditure					
					T1.16

Table 1.17: Capital expenditure: Finance & Admin/Finance

Capital projects	2015/2016		2016/2017		
	Budget	Adjustment budget	Actual expenditure	Adjustment budget	Variance from budget
Projects	590 000	78 000	588 747	565 800	(4.06)%
					T1.17



1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

The District Municipality's macro-organisational structure (detailed below) constitutes the Council's policy according to which the micro-organisational structure was developed. The District Municipality consists of the Office of the Municipal Manager and three departments with their respective divisions. The three departments report to the municipal manager.

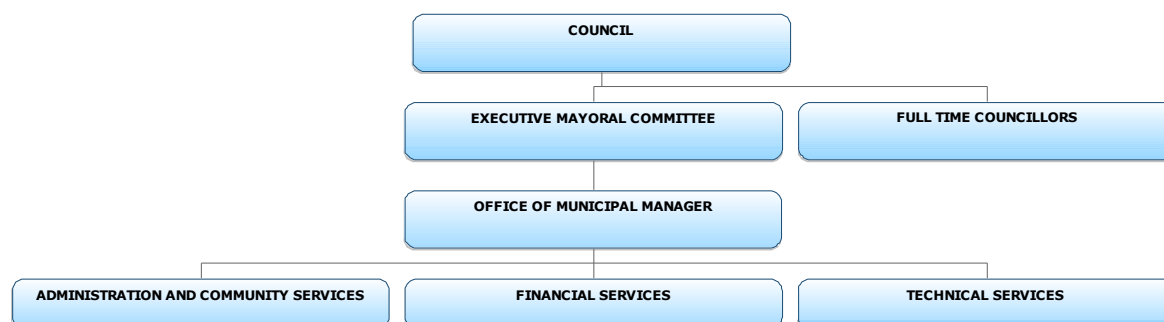


Figure 1.7: Organogram: West Coast District Municipality

The divisions are as follows:

(a) Office of the Municipal Manager

- Human Resources
- Internal Auditing
- Strategic Services
- Social and Community Development
- Tourism
- Public Relations

(b) Department: Administration and Community Services

- Administration
- Air Quality
- Municipal Environmental Health
- Municipal Environmental Management
- Disaster Management
- Fire Services

(c) Department: Financial Services

- Financial Management and Control
- Income
- Expenditure
- Supply Chain Management
- Information Technology
- Ganzekraal Resort



(d) Department: Infrastructure Services

- Town and Regional Planning
- Roads Construction and Maintenance
- Mechanical Workshops
- Water Purification
- Water Distribution
- Civil Engineering Projects

The respective departments are responsible for the following functions:

(a) Office of the Municipal Manager

- Human Resource Development
- Occupational Health and Safety
- Training and Development
- Employment Equity
- Employment Assistance Programme
- Organisational and Workstudy
- Labour Relations
- Internal Auditing
- Internal Audit Risk Management
- Strategic Management
- Strategic Programmes
- Integrated Development Plan/Local Economic Development
- Social and Community Development
- Tourism Marketing and Development
- Public Relations

(b) Department: Administration and Community Services

- Archive Services
- Secretariat
- Legal Support Services
- Reprographic Services
- Cleaning services
- Municipal Environmental Health
- Air Quality Control
- Environmental Management
- Fire and Rescue Services
- Disaster Management
- Administrative Support Services



1.6 AUDITOR-GENERAL REPORT

1.6.1 COMMITMENT TO CLEAN AUDIT TARGET

The West Coast District Municipality achieved a clean audit for the seven financial years and has been the forefront in running clean administration within a district. We strive, amid the many challenges, to sustain this by ensuring everyone in the organisation understands their role and responsibilities.

1.6.1.1 POLITICAL COMMITMENT TO SUSTAINING CLEAN AUDIT OPINION

- Those charged with governance leads the commitment to improve and sustain good governance.
- The mayor and his executive team are committed to diligently perform their oversight role and responsibility in ensuring that administration are committed to clean governance.
- Roles and responsibilities are clearly defined between those charges with governance and administration in ensuring each one focuses on what they required to do.

1.6.1.2 LEVEL OF PROGRESS MADE

a) Reliance on consultant

- In the past we relied on Pricewaterhousecoopers (PWC) to perform our asset verification and provided advice on the management of those assets, however during this year we established our own asset management function by conducting our own asset verification processes and management, thereby eliminating PWC as a consultant.

b) Milestones achieved

- The Municipality has transacted live on Mscoa one year before the required National Treasury deadline of 1 July 2017.
- We were the first municipality in the country to successfully submit their Final (ORGB) Budget to the Local Government Data Base as required by National Treasury.



1.7 STATUTORY ANNUAL REPORT PROCESS

Table 1.7.1: Overview of the statutory annual report process

No	Activity	Timeframe
1	Submit Draft Annual Report 2016/2017 to Management and the Internal Audit Unit	August
2	Submit Draft Annual Report 2016/2017 to the Auditor-General.	August
3	Audit/Performance Committee considers Draft Annual Report of Municipality	October
4	Municipality submits Draft Annual Report including consolidated annual financial statements and Annual performance report to Auditor-General.	November
5	Auditor-General assesses Draft Annual Report, including consolidated annual financial statements and performance data.	November
6	Municipalities receive and start to address the Auditor-General's comments.	November / December
7	Mayor tables Annual Report and Audited Financial Statements to Council, complete with the Auditor-General's report.	
8	Annual Report is made public and representation is invited.	December
9	MPAC assesses Annual Report and Oversight Report	January
10	In terms of Section 127 of the Local Government: Municipal Finance Management Act, Act 56 of 2003 the Mayor tables the Annual Report to Council within 7 months after the end of the financial year	January/ February
11	Council adopts Annual Report and Oversight Report	
12	Oversight report is made public.	
13	Annual Report and Oversight report is submitted to relevant Provincial Departments and Website	

COMMENT ON THE ANNUAL REPORT PROCESS

In terms of Section 127 (2) of the Local Government: Municipal Finance Management Act (MFMA) 56 of 2003, every municipality must deal with its annual report within seven months after the end of a financial year. A copy of the Draft Annual Report 2016/2017 will be submitted to senior management and the Auditor-General for scrutiny. After approval of the Annual report, the annual report will be submitted to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the province. Thereafter the Annual report will be published for public comment. The Municipal Public Accounts Committee (MPAC) will meet to discuss the Annual report, and a recommendation on whether it is approved or rejected will be drafted in the Oversight report within two months after the approval of the Annual Report. The Oversight and Annual reports will be tabled to Council for approval after all the comments have been considered.



CHAPTER 2 – GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 POLITICAL GOVERNANCE

2.1.1 OVERVIEW: COMPREHENSIVE POLITICAL OVERSIGHT WITHIN THE MUNICIPALITY AT PRESENT

As committee members have developed or are able to develop specialised skills, the quality of the work done by them is potentially of a higher standard than that of larger structures. The composition of committees usually represents all political parties.

Section 79 committees are nonexecutive committees that may be established for the effective and efficient performance of any of a municipal council's functions or the exercise of any of its powers, provided that the municipal council determines the functions of a committee and delegates duties and powers to it. The council must appoint the chairperson and may authorise a committee to co-opt advisory members who are not members of the council within the limits determined by the council. The council may also determine a committee's procedures.

Section 80 committees are provided to assist the executive mayor. If a municipal council has an executive mayor, it may appoint committees of councillors to assist the executive mayor. Such committees may not in number exceed the number of members of the executive committee or mayoral committee. The executive mayor appoints a chairperson for each committee from the mayoral committee and may delegate any powers and duties of the executive mayor to the committee. Section 80 committees must report to the executive mayor in accordance with the directions of the executive committee or executive mayor.

2.1.2 AUDIT AND PERFORMANCE AUDIT COMMITTEE

Section 166(1) of the MFMA states that "each municipality or municipal entity must have an Audit Committee", and Section 166(4)(a) of the MFMA states that "an Audit Committee must consist of at least three persons with appropriate experience". The Audit Committee is an independent advisory body and presently consists of five members who are appointed by Council. With reference to the West Coast District Municipality Audit Charter, the Audit Committee assists Council by providing inputs to ensure effective systems that complement service delivery, the safeguarding of municipal assets, the maintenance of financial records, risk management, corporate governance and an effective internal control system. The Audit Committee also investigates matters within the scope of the committee's duties if referred to the committee by Council or the Municipal Manager.

Furthermore, the Audit Committee provides independent specialist advice on financial performance, efficiency and effectiveness, performance management and compliance with legislation.

2.1.3 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The purpose of the Municipal Public Accounts Committee (MPAC) is to serve as an oversight committee that exercises oversight over the executive obligations of Council. The MPAC will assist Council to hold the executive to account and to ensure the efficient and effective use



of municipal resources. By so doing, the MPAC will help to increase Council and public awareness of the financial and performance issues of the Municipality.

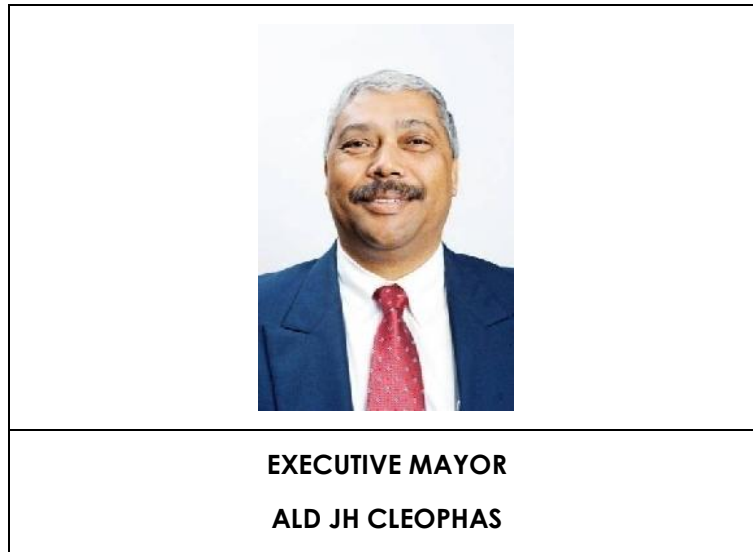
The MPAC was established in terms of Section 79 of the Local Government: Municipal Structures Act 117 of 1998 and performs an oversight function on behalf of Council and is not a duplication of other committees of Council, such as the Audit Committee.

The MPAC may engage directly with the public and consider public comments when received and will be entitled to request documents or evidence from the accounting officer. The MPAC will report to Council on the activities of the committee. The report must include details of the committee's activities during the preceding and current financial years, the number of meetings held, the membership of the committee and key resolutions taken in the annual report.



2.1.4 MEMBERS OF THE EXECUTIVE MAYORAL COMMITTEE:

01 JULY 2016 – 01 AUGUST 2016





ALD AP MOUTON

Chairperson, Portfolio Committee: Finance



CLLR M KOEN

Chairperson, Portfolio Committee: Strategic Support and Economic Development



CLLR WD LOFF

**Chairperson, Portfolio Committee:
Administration and Community Services**



CLLR BJ STANLEY

**Chairperson, Portfolio Committee:
Infrastructure Services**



2.1.5 MEMBERS OF THE EXECUTIVE MAYORAL COMMITTEE: TILL 30 JUNE 2017



**EXECUTIVE MAYOR
ALD JH CLEOPHAS**



**SPEAKER
CLLR RE SWARTS**



**EXECUTIVE DEPUTY MAYOR
CLLR RW STRYDOM**





ALD FJ SCHIIPERS

Chairperson, Portfolio Committee: Finance



CLLR J MEYER

Chairperson, Portfolio Committee: Strategic Support and Economic Development



CLLR VD MCQUIRE

Chairperson, Portfolio Committee:
Administration and Community Services



ALD BJ STANLEY

Chairperson, Portfolio Committee:
Infrastructure Services



2.1.6 FUNCTION: EXECUTIVE AUTHORITY AND COUNCIL: TILL 03 AUGUST 2016

The West Coast District Municipality has 24 councillors of which 40% have been directly elected (proportional). Of the remaining representation, 60% are members who have been elected from the local municipalities within the District Municipality's area of jurisdiction.

The 60% are representatives from the following municipalities:

Swartland Municipality	Four representatives
Cederberg Municipality	Two representatives
Bergvriër Municipality	Two representatives
Saldanha Bay Municipality	Four representatives
Matzikama Municipality	Two representatives

The Mayoral Committee consists of the chairs of the respective portfolio committees that have been established in terms of Section 80 of the Municipal Structures Act.

Mayor	Ald JH Cleophas
Deputy Mayor	Ald JJ Josephus
Speaker	Cllr A Kruger

The Section 80 committees advise and make recommendations to the Executive Mayoral Committee and Council.

The following Section 80 committees have been established and the chairs of these committees are as follows:

Portfolio Committee: Strategic Support and Economic Development	Cllr M Koen
Portfolio Committee: Finance	Ald AP Mouton
Portfolio Committee: Administration and Community Services	Cllr WD Loff
Portfolio Committee: Infrastructure Services	Cllr B Stanley

Members of Council are as follows:

Speaker	Cllr A Kruger	DA	Saldanha Bay Municipality
Executive Mayor	Ald JH Cleophas	DA	Swartland Municipality
Executive Mayoral Committee	Ald JJ Josephus	DA	West Coast District Municipality
Executive Mayoral Committee	Cllr M Koen	DA	West Coast District Municipality
Executive Mayoral Committee	Ald AP Mouton	DA	West Coast District Municipality
Executive Mayoral Committee	Cllr WD Loff	DA	West Coast District Municipality
Executive Mayoral Committee	Cllr BJ Stanley	DA	Swartland Municipality



Councillors		
Cllr J Swart	ANC	West Coast District Municipality
Cllr R Skei	ANC	West Coast District Municipality
Ald E Plaatjies	ANC	West Coast District Municipality
Cllr SA Gxabalashe	ANC	West Coast District Municipality
Cllr CH Heyns	DA	West Coast District Municipality
Cllr MR Smit	DA	West Coast District Municipality
Cllr CJ Snyders	DA	Bergervier Municipality
Cllr SR Claasen	ANC	Bergervier Municipality
Cllr J Barnard	DA	Cederberg Municipality
Cllr JJ Fransman	ANC	Cederberg Municipality
Cllr EL Mqingi	ANC	Matzikama Municipality
Cllr A Sindiyamba	DA	Matzikama Municipality
Ald JJ Cillie	DA	Saldanha Bay Municipality
Cllr ST Vries	DA	Saldanha Bay Municipality
Ald NV Mgoqi	ANC	Saldanha Bay Municipality
Ald NJA Rust	DA	Swartland Municipality
Cllr NS Zatu	ANC	Swartland Municipality

Council meets once per quarter. Council has delegated all its powers and functions (except those functions that, according to law, cannot be delegated) also to the Executive Mayor. In this way, effective service delivery can be accelerated.

See Appendix A where a list of councillors may be found, as well as committee allocations and Council meeting attendance figures.

See Appendix B that sets out committees and committee purposes.



FUNCTION: EXECUTIVE AUTHORITY AND COUNCIL: TILL 30 JUNE 2017

The West Coast District Municipality has 25 councillors of which 40% have been directly elected (proportional). Of the remaining representation, 60% are members who have been elected from the local municipalities within the District Municipality's area of jurisdiction.

The 60% are representatives from the following municipalities:

Swartland Municipality	Four representatives
Cederberg Municipality	Two representatives
Bergvriër Municipality	Two representatives
Saldanha Bay Municipality	Five representatives
Matzikama Municipality	Two representatives

The Mayoral Committee consists of the chairs of the respective portfolio committees that have been established in terms of Section 80 of the Municipal Structures Act.

Mayor	Ald JH Cleophas
Deputy Mayor	Cllr RW Strydom
Speaker	Cllr RE Swarts

The Section 80 committees advise and make recommendations to the Executive Mayoral Committee and Council.

The following Section 80 committees have been established and the chairs of these committees are as follows:

Portfolio Committee: Strategic Support and Economic Development	Cllr J Meyer
Portfolio Committee: Finance	Ald FJ Schippers
Portfolio Committee: Administration and Community Services	Cllr VD McQuire
Portfolio Committee: Infrastructure Services	Ald B Stanley





Councillors of the West Coast District Municipality

**Cllr Siyabulela Armstrong
Gxabalashe**



ANC Proportional
West Coast District
Municipality

Cllr Rhoda Skei



ANC Proportional
West Coast District
Municipality

Cllr Francois Kamfer



ANC Proportional
West Coast District
Municipality

**Cllr Roelof Weideman
Strydom**



DA Proportional
West Coast District
Municipality

Ald John Harold Cleophas



DA Proportional
West Coast District
Municipality
(Executive Mayor)

**Cllr Hermanus
Johannes van der
Hoven**



DA Proportional
West Coast District
Municipality

Cllr Randall Eliger Swarts



DA Proportional
West Coast District
Municipality
(Speaker)

Cllr Colin Erasmus



DA Proportional
West Coast District
Municipality



Cllr Jacob Alexander



DA Proportional
West Coast District Municipality

Cllr Jan Johannes Hoop



DA Proportional
West Coast District Municipality

Cllr Nomakhaya Monica Ngobo



ANC Matzikama Municipality

Cllr Mariana Carosini



DA Matzikama Municipality

Cllr Ngobo



ANC Cederberg
Municipality

Cllr Jan Meyer



DA Cederberg
Municipality
(EMC Member – PC
Strategic Support &
Economic
Development

**Cllr Susanna Isabella Johanna
Smit**



ANC Bergrivier Municipality

**Cllr Adam Johannes du
Plooy**



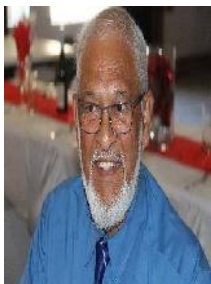







DA Bergrivier Municipality

Cllr Ezelle Bianca Mankay



ANC Saldanhabay Municipality



<p>Ald Ebrahim Nackerdien</p>  <p>ANC Saldanhabay Municipality</p>	<p>Ald Francois John Schippers</p>  <p>DA Saldanhabay Municipality EMC Member – PC Finance</p>	<p>Cllr Miranda Schrader</p>  <p>DA Saldanhabay Municipality</p>	<p>Cllr Sharon Marionette Scholtz</p>  <p>DA Saldanhabay Municipality</p>
<p>Cllr Bulelani Justice Penxa</p>  <p>ANC Swartland Municipality</p>	<p>Cllr Basil John Stanley</p>  <p>DA Swartland Municipality/ EMC Member – PC Infrastructure Services</p>	<p>Cllr Valery Denice McQuire</p>  <p>DA Swartland Municipality EMC Member – PC Administration & Community Development</p>	<p>Cllr Nicolene Smit</p>  <p>DA Swartland Municipality</p>

Council meets once per quarter. Council has delegated all its powers and functions (except those functions that, according to law, cannot be delegated) also to the Executive Mayor. In this way, effective service delivery can be accelerated.

See Appendix A where a list of councillors may be found, as well as committee allocations and Council meeting attendance figures.

See Appendix B that sets out committees and committee purposes.



2.2 ADMINISTRATIVE GOVERNANCE

2.2.1 INTRODUCTION

In terms of Section 60(b) of the MFMA, the municipal manager of a municipality is the accounting officer of the municipality for the purposes of this act and must provide guidance on compliance with this act to political structures, political office bearers and officials of the municipality and any entity under the sole or shared control of the municipality.

TOP ADMINISTRATIVE STRUCTURE	
<p>MR HF PRINS MUNICIPAL MANAGER</p> 	<p>Human Resources Internal Auditing Risk Management Strategic Services Social and Community Development Tourism Public Relations</p>
<p>MR W MARKUS DIRECTOR ADMINISTRATION AND COMMUNITY DEVELOPMENT</p> 	<p>Administration Air Quality Disaster Management Fire Services Municipal Environmental Health Municipal Environmental Management</p>



MR J KOEKEMOER
DIRECTOR FINANCE



Expenditure
Financial Management and Control
Income
Information Technology
Ganzekraal Resort
Supply Chain Management

MR H MATTHEE
DIRECTOR TECHNICAL SERVICES



Civil Engineering Projects
Mechanical Workshops
Roads Construction and Maintenance
Town and Regional Planning
Water Purification
Water Distribution



COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL RELATIONS FOR THE 2016/2017 FINANCIAL YEAR

2.3.1 NATIONAL INTERGOVERNMENTAL STRUCTURES

DRDLR MINMEC

2.3.2 PROVINCIAL INTERGOVERNMENTAL STRUCTURES

1. Newly launched Western Cape Districts Integrated Forum
2. Western Cape IDP innovation group
3. Premiers Co-ordinating Forum (PCF)
4. MinMay
5. MinMaytech
6. Western Cape MM Forum
7. Department of Local Government IDP Managers Forum
8. DEDAT LED Managers Forum
9. Department of Local Government Provincial Public Participation and Communications Forum

2.3.3 RELATIONSHIPS WITH MUNICIPAL ENTITIES

Bi-annual Bi-Lateral engagements between District and Local Municipalities

2.3.4 DISTRICT INTERGOVERNMENTAL STRUCTURES

1. District Co-ordinating Forum (DCF)
2. District Co-ordinating Forum (DCFTECH)
3. IDP/ LED Managers forum
4. (To be re-launched in 2017/18) District Public Participation and Communications Forum
5. IDP Co-ordinating Committee (to be redesigned in 2017/18)
6. District Agri-Parks Operational Task Team (DRDLR)



COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Section 15(b) of the Local Government: Municipal Systems Act 32 of 2000 requires a municipality to establish and organise its administration to facilitate and cultivate a culture of accountability among its staff. Section 16(i) states that a municipality must develop a system of municipal governance that complements formal representative governance with a system of participatory governance. Section 18(i)(d) requires a municipality to supply its community with information concerning municipal governance, management and development.

COMMENT ON PUBLIC ACCOUNTABILITY

Public participation, public accountability and citizen engagement are achieved through a structured process of targeted public stakeholder engagement. This process is driven in conjunction with all the local municipalities in the District, using a shared platform of public engagement at the municipal level, and is further enhanced through direct engagements with the local municipalities in the District. In this regard, priority issues emanating from the local municipal areas are incorporated into the strategic planning of the District Municipality and, where applicable, referred to the relevant sector department.

In addition, the West Coast District Municipality promotes and supports district-wide public participation and the mobilisation of civil society through initiatives aimed at strengthening the functioning of ward structures throughout the region.



2.4 PUBLIC MEETINGS

Table 2.1: List of public meetings held during 2016/2017

Nature and purpose of meeting	Date of events	Participating municipal councillors (N)	Participating municipal administrators (N)	Community members attending (N)	Dates and manner of feedback given to community
B municipal level engagements <ul style="list-style-type: none"> • Swartland • Matzikama • Bergrivier • Cederberg • Saldanha Bay 	<p>All meetings for 2016 took place during the first semester of the year and Swartland meeting for 2017 still due</p> <p>12 June 2017</p> <p>20 June 2017</p> <p>22 February 2017</p> <p>11 May 2017</p>				Integration within IDP process
IDP Coordinating Committee meetings (utilised for IDP process)	22 July 2016	4	6		Minutes
IDP Indaba – West Coast (utilised for IDP process)	<p>1 March 2017</p> <p>14 – 15 March 2017</p> <p>15 – 16 February 2016</p>		<p>7</p> <p>15</p> <p>3</p>		Reports



2.5 INTEGRATED DEVELOPMENT PLAN PARTICIPATION AND ALIGNMENT

Table 2.2: Integrated Development Plan: Participation and alignment criteria

IDP participation and alignment criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs*, development strategies?	Yes
Does the IDP have multiyear targets?	Yes
Are the above points aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 managers?	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 outcomes?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarters' aligned reports submitted within stipulated timeframes?	Yes
* Section 26 of the Municipal Systems Act 2000 * Key performance indicators	



COMPONENT D: CORPORATE GOVERNANCE

2.6 RISK MANAGEMENT

Risk management is one of the core responsibilities of management, according to Section 62 of the Municipal Finance Management Act (MFMA) and is an integral part of the internal processes of a municipality. It is a systematic and formalised process to identify, assess, manage, monitor and report risks on a continuous basis before such risks can impact negatively on the service delivery capacity of the West Coast District Municipality. When properly executed, risk management provides reasonable assurance that the institution will be successful in achieving its goals and objectives.

The aim of risk management is to determine the magnitude of risk exposure by assessing the likelihood of the risk materialising and the impact that it would have on the achievement of objectives. The identified risks are then prioritised – which enables management to focus more time, effort and resources on higher risk areas. To mitigate the risks with which the Municipality is confronted, management implements control activities by establishing policies and appropriate procedures such as approvals, authorisations, segregation of duties, reconciliations and physical safeguards

On 31 August 2016 the Risk Management Shared Services of the District ended. The municipality decided to go on a competitive tender process to appoint an external service provider.

During the tender bidding period internal audit coordinated the risk management process by requesting management to update their risk registers, per directorate, as follows:

- a) Add additional risks
- b) Change the likelihood and impact of the risk ratings
- c) Assess whether existing controls are still effective and/or add additional controls

On 1 February 2017 the municipality awarded the risk management service to Nexia SAB&T(external service provider) and at year end they concluded the following:

- 1) Revising and amending the municipality's Risk Policy, Strategy & Implementation Plan which was circulated via the committees for recommendation before Council approval.
- 2) Held risk workshops with the Directorate and line function managers to update changes to current risks and/or identify new risks and controls
- 3) Finalising and Completing the Strategic and Operational Risk Registers
- 4) Reported on a quarterly basis on work performed and other operating measures that were of interest to the committees.



Table 2.6.1: Financial performance: Risk management (R'000)

Financial Performance: Risk Management					
Details	2015/2016	2016/2017			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	548 128	558 460	666 883	107 189	83.93%
Expenditure:					
Employees	390 258	435 310	435 310	70 231	83.87%
Repairs and maintenance	-	3 150	3 150	-	100%
Other	135 553	120 000	228 423	265 929	(16.42%)
Total Operating Expenditure	526 811	558 460	666 883	336 160	49.59%
Net Operating Expenditure					
					T2.6.1



2.7 ANTI-CORRUPTION AND ANTI-FRAUD POLICY

2.7.1 ANTI-CORRUPTION AND ANTI-FRAUD STRATEGY

The West Coast District Municipality has adopted a zero tolerance stance when it comes to fraud and corruption, and this is further enhanced by our fraud prevention policy.

Our officials are empowered to report any suspected fraud or corruption anonymously on our national whistle-blowing hotline, 0800 701 701.

For the year under review, we are delighted to report that no instances of suspected fraud or corruption took place.

The West Coast District Municipality has developed the following policy documents to prevent fraud, corruption and theft:

- Fraud Prevention Plan
- Whistle-blowing Policy

The documents provide assurance that the West Coast District Municipality has a zero tolerance policy regarding fraudulent and corrupt activities. This has led to a fraud- and corruption-free financial year for the West Coast District Municipality.



2.8 SUPPLY CHAIN MANAGEMENT (APPENDIX I)

The West Coast District Municipality initially adopted and approved its Supply Chain Management Policy on 14 December 2005.

Regulation 3 of the Supply Chain Management Policy of the West Coast District Municipality determines that each municipality must annually review and, if necessary, amend its supply chain management policy.

The Supply Chain Management Policy of the West Coast District Municipality was amended and approved on the following dates:

- a) 5 December 2012
- b) 27 August 2014
- c) 25 May 2016

The Supply Chain Management Policy was again reviewed and amended according to the newest supply chain management prescripts and practices. The new, reviewed Policy was adopted by Council on 29 March 2017.

In October 2015 via a National Treasury Circular No 77, the National Treasury issued a Supply Chain Management Model Policy for Infrastructure Procurement and Delivery Management, in terms of Section 168 of the Municipal Finance Management Act of 2003 (Act 56 of 2003) in reference to SCM Regulation 3 (2). This model policy prescribes the standards and gateways system requirements and principles which municipalities and municipal entities must adhere to when procuring infrastructure related services linking to CIDB and ISO standards and ethos, therefore this policy for infrastructure delivery and procurement serves as a conduit for the alignment between the CIDB Act and supply chain management systems.

This policy is linked to the **National Treasury Standard for Infrastructure Procurement and Delivery Management (SIPDM)** which establishes:

- (a) a control framework for the planning, design and implementation of infrastructure projects and infrastructure procurement
- (b) requirements for the following matters as applied to the supply chain management system for infrastructure delivery:
 - institutional arrangements;
 - demand management;
 - acquisition management;
 - contract management;
 - logistics management;
 - disposal management;
 - reporting of supply chain management information;
 - regular assessment of supply chain management performance; and
 - risk management and internal control; and
- (c) minimum requirements for infrastructure procurement

This policy will assist municipalities and municipal entities to better plan and obtain the necessary value for money when undertaking infrastructure projects.



The new, reviewed Supply Chain Management Policy, inclusive of the Policy for Infrastructure Procurement and Delivery Management was adopted by Council on 31 May 2017.

The West Coast District Municipality has established a Supply Chain Management Unit in line with the SCM Policy

The SCM Manager reports directly to the Chief Financial Officer.

The calling of tenders is an integral part of SCM, as legislation compels public institutions to follow prescribed processes. A thorough knowledge of the different phases of SCM and accompanying procedures is therefore necessary to ensure that officials procure goods and services timeleuoslly and according to the requested requirements.

The Accounting Officer has approved the various Bid Committees which is fully operational. The Municipality ensures that the SCM processes is fair, transparent, equitable, competitive and cost effective.



2.9 BYLAWS

The Municipal Systems Act Section 11(3) (m) provides municipal councils with the legislative authority to pass and implement bylaws for the betterment of the community within the terms of the legislation.

Table 2.4: Bylaws published in the 2016/17 financial year

Approved by Council	Date published in Provincial Gazette	Government Gazette number	Name of bylaw
NONE			



2.10 WEBSITE

Table 2.5: Municipal website: Content and currency of material

Documents published on the District Municipality's/entity's website	Yes/No	Notes
Current annual and adjustment budgets and all budget-related documents	Yes	
The previous Annual Report 2015/2016	Yes	
The Annual Report 2016/2017 to be published		Date approved
All current performance agreements required in terms of Section 57(1)(b) of the Municipal Systems Act and resulting scorecards	Yes	
All service delivery agreements	Yes	
All long-term borrowing contracts	Yes	
All SCM contracts above a prescribed value for 2016/2017	Yes	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of Section 14(2) or (4) of the Local Government: Municipal Finance Management Act, 56 of 2003 during 2016/2017	Yes	
Contracts agreed on to which Subsection (1) of Section 33 apply, subject to Subsection (3) of that section of the Local Government: Municipal Finance Management Act, 56 of 2003	Yes	
Public-private partnership agreements referred to in Section 120 of the Local Government: Municipal Finance Management Act, 56 of 2003	None – not applicable	
All quarterly reports tabled to Council in terms of Section 52(d) of the Local Government: Municipal Finance Management Act, 56 of 2003 during 2016/2017	Yes	
<i>Note: The MFMA Section 75 sets out the information that a municipality must include on its website as detailed above.</i>		

2.10.1 COMMENT: MUNICIPAL WEBSITE CONTENT AND ACCESS

Section 21 (b) of the Systems Act requires municipalities to establish its own official website. The municipal website is an integral part of the municipality's communication infrastructure and strategy by making current information available, it serves as a tool for community participation, improved stakeholder involvement and stakeholder monitoring and evaluation of municipal performance.

Municipalities are required to place all information that must be published in terms of the Systems Act and MFMA on this Website. Section 75 of the MFMA specifies which documents must be published on municipal website.



CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

COMPONENT A: BASIC SERVICES

INTRODUCTION

The West Coast District Municipality is responsible for the delivery of basic services in terms of bulk water provision to local municipalities, maintenance of provincial roads on an agency basis for the Western Cape Department of Transport and Public Works, and spatial planning and planning on a regional basis. No households are provided with basic services by the District Municipality.

3.1 WATER PROVISION

3.1.1 INTRODUCTION

The West Coast District Municipality is the bulk water services provider for the southern West Coast region and provides potable water to 22 towns and 934 farms in the region through an extensive bulk distribution system.

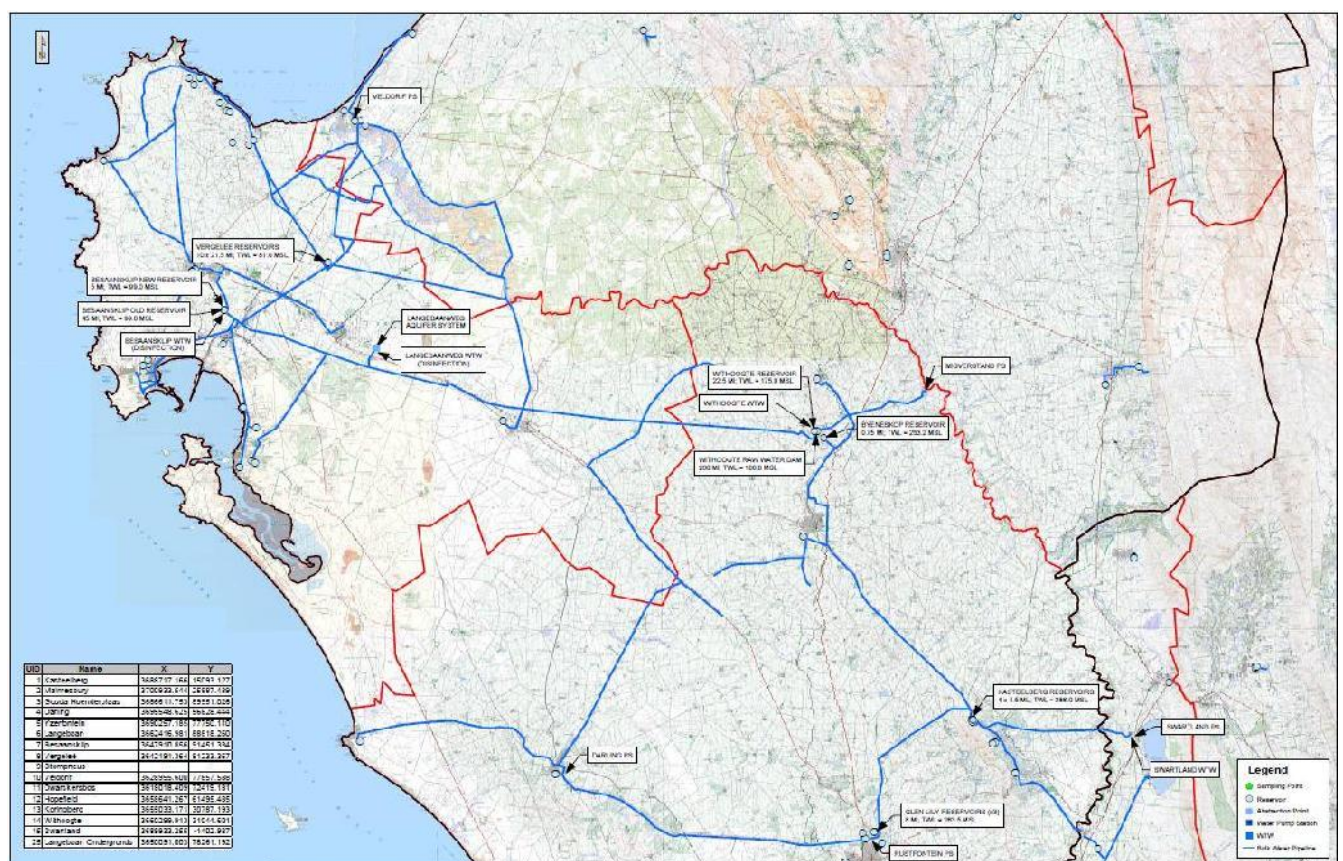


Figure 3.1: Map op the area of jurisdiction: West Coast District Municipality



The system consists of the Swartland Scheme in the south of the region, and the Management Scheme in the north. The Swartland Scheme supplies bulk water from the Voëlvlei Dam via the Voëlvlei Water Treatment Works to the towns of Hermon and Gouda in the Drakenstein Municipal area, and to the towns of Riebeek West, Riebeek Kasteel, Malmesbury (including Chatsworth, Riverlands, Abbotsdale and Kalbaskraal), Darling, Yzerfontein, Moorreesburg and Koringberg in the Swartland Municipality.

The Misverstand Scheme supplies bulk water from the Misverstand Dam via the Withoogte Water Treatment Works to the towns of Veldrif and Dwarskersbos in the Berg River Municipality, and to Hopefield, Langebaan, Saldanha Bay, Vredenburg, Paternoster, St Helena Bay and Stompneusbaai in the Saldanha Bay Municipality. The Misverstand Scheme is augmented with extraction from the Langebaan Road aquifer at Langebaan Road.

Blue Drop awards were received in the years 2009, 2010, 2011 and 2012 for both these systems, as well as for the Gouda system. The West Coast District Municipality also received awards for the fourth best blue drop performance nationally, as well as for the third best provincially. Blue drop evaluation has been done from 2013, every second year.

The two systems are interlinked and operated as an integrated system. The current water allocation and demand, the future demand and shortfall for 2018, as well as the quantum of this additional allocation (for the next 20 years till 2033) for the system are indicated in the table below.

Table 3.1.1: Water allocation and demand, 2013–2018

Source	Current license	License number	2016/2017 abstraction	Growth rate	2018 demand	2018 shortfall	Additional application up to 2033
	m ³ /annum		m ³ /annum	%	m ³ /annum	m ³ /annum	m ³ /annum
Voëlvlei	4 200 000	22 062 777	5 784 056	2,8%	7 335 000	3 135 000	6 900 000
Misverstand	17 440 000	22 062 820	16 952 798	3,5%	21 482 000	4 042 000	17 199 000
Langebaan Road aquifer	1 460 000	22 062 688	928 765	3,5%	1 460 000	0	0
Total	23 100 000		23 665 619		30 277 000	7 177 000	24 099 000
T3.1.1							

3.1.2 GROWTH RATES

In order to prioritise upgrades to the West Coast District Municipality system, a future compounded growth rate for the Withoogte and Swartland systems were determined based on historic demands from 1995 to date for the respective systems. A compounded growth rate of 3.5% was adopted for planning for the Withoogte system and 2.8% for the Swartland system.

In order to ensure sustainable economic development in the West Coast region, where especially Malmesbury and the Saldanha Bay area have been identified as high growth



potential areas, the West Coast District Municipality started with a comprehensive feasibility study in 2007 to identify a sustainable long-term alternative water source for the region. Further, the Master Plan was updated in June 2013 owing to the high growth in the region.

The Master Plan June 2013 entails the updating of existing computer models for the Withoogte and Swartland water distribution systems, the establishment of computer models for the rural water distribution systems in the jurisdiction area of the West Coast District Municipality, the linking of these models to the latest water meter data and analysis of water demand based on the treasury's financial system, followed by evaluation and master planning of the water distribution systems and the posting of all information onto an Infrastructure Management Query Station.

3.1.3 DROUGHT STATUS AND RESTRICTIONS

Western Cape Water Supply System

West Coast District Municipality, City of Cape Town (CCT) and Agriculture are the major water users in the Western Cape Water Supply System (WCWSS). Department Water and Sanitation are the custodian of this system and managed it with water users through a WCWSS Task team.

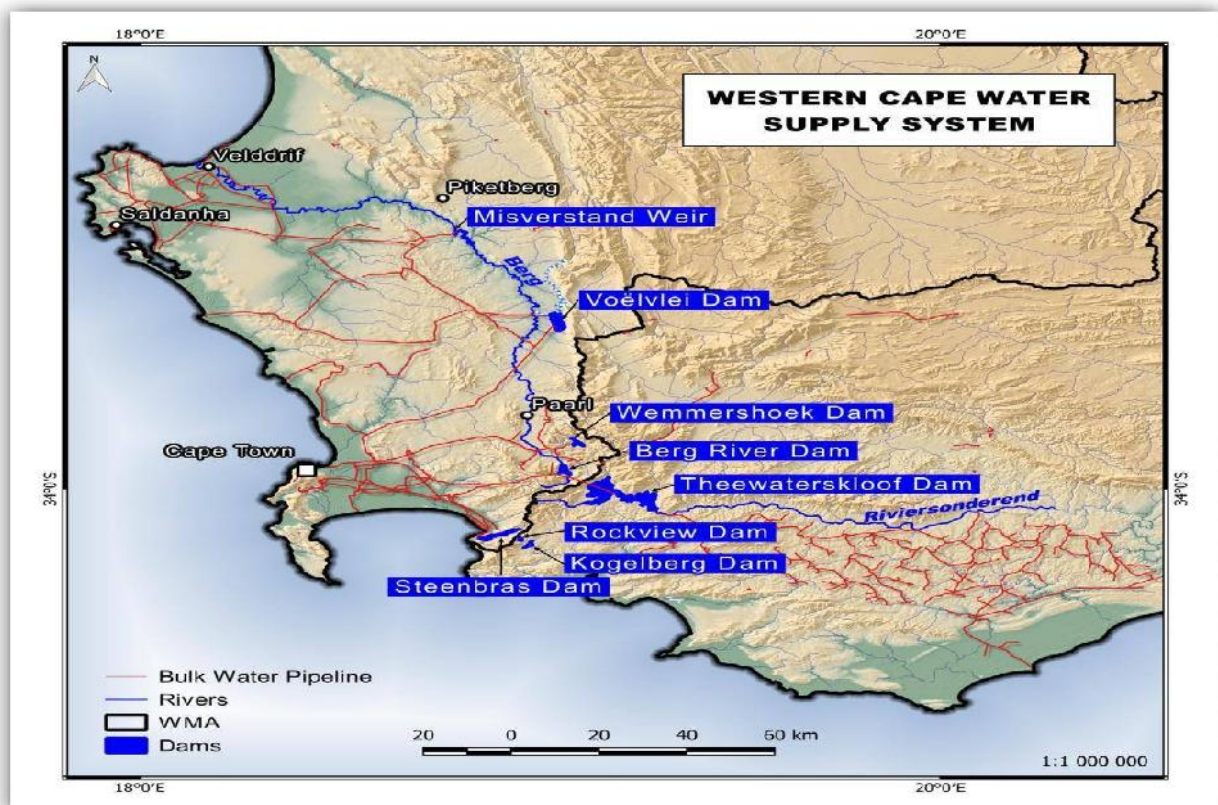
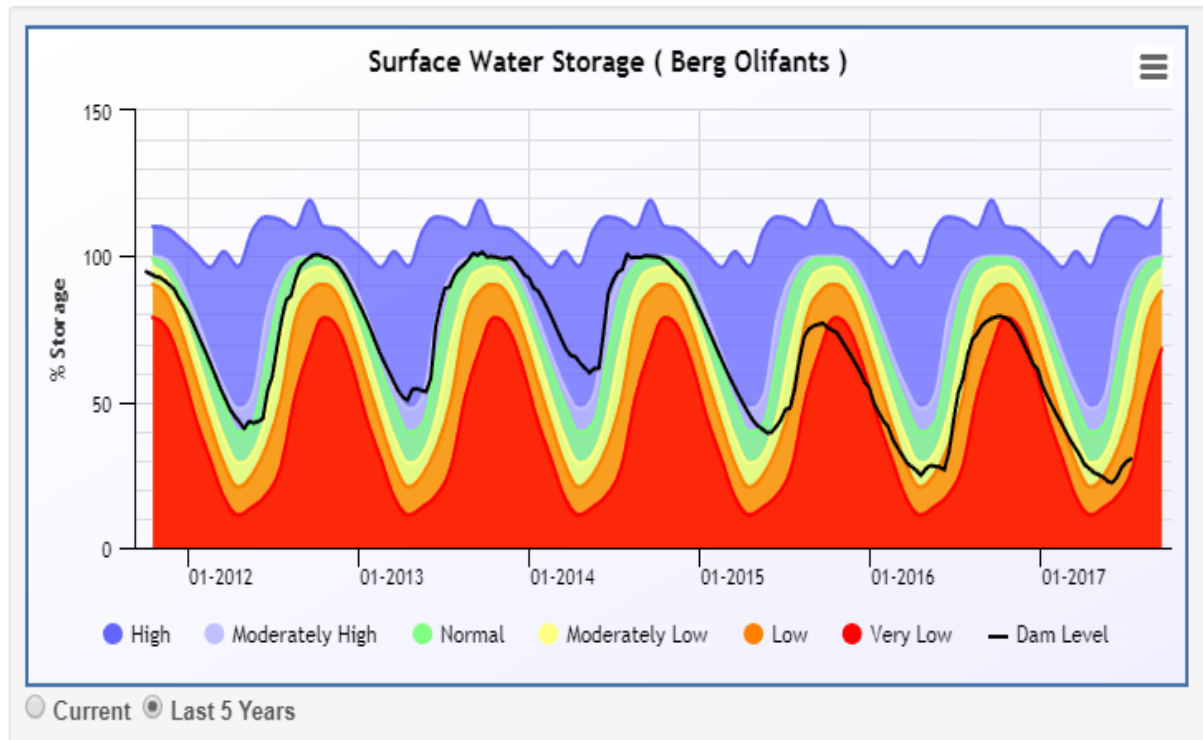


Figure 3.1.2: Map of the Western Cape Water Supply System

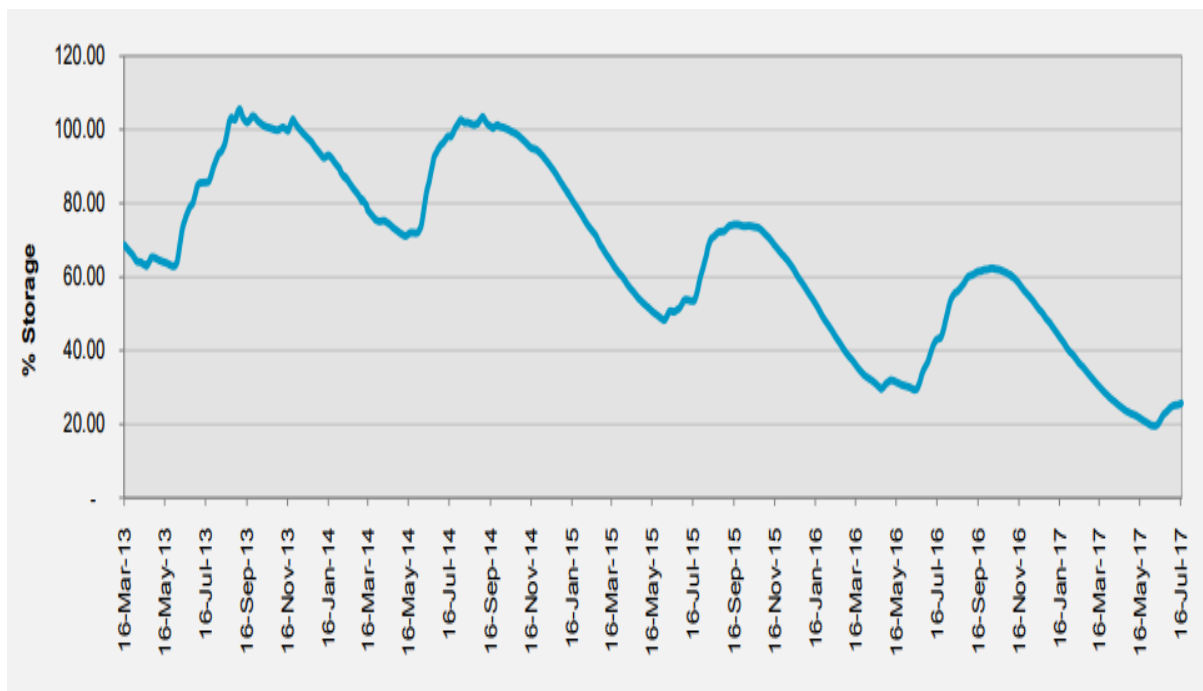
Over the past two years and currently the combined and individual dam storage shows that the system is under stress and the reserve storage may gradually be depleted due to the drought and under normal rainfall into the catchment area.



The water levels in the WCWSS is declining over the past few years and the different probabilities in percentile is indicated in the following graphs.



Graph 3.1.1: Graph of percentile probability Surface water storage

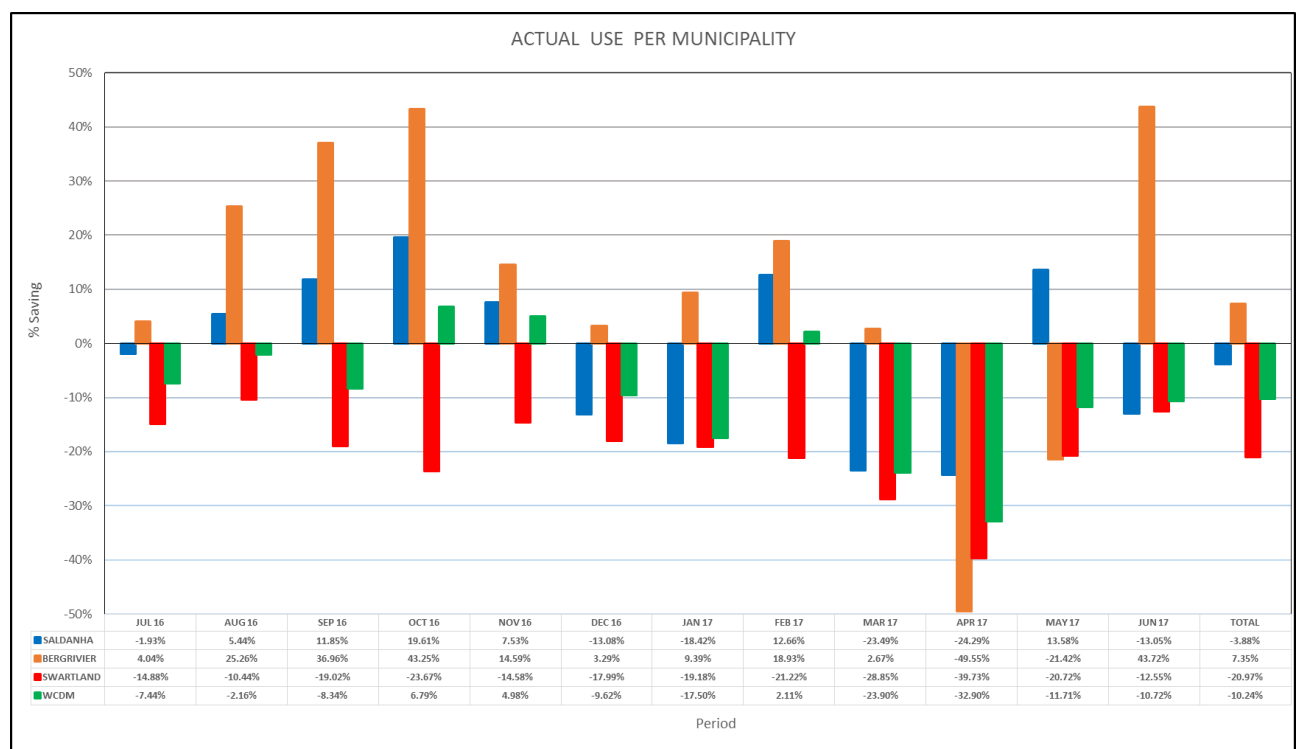


Graph 3.1.2: Graph of Surface water storage



Department Water and Sanitation Water has approved water restrictions to be introduced in the affected areas from June 2016. In essence the level of restrictions require all water users in the supply area of the berg Water management Area to save 20% on water use. The imposition of restricted water consumption would enable the filling of the dams so as to have adequate stored water in our dams for sustainable use during the ensuing season including the ensuing summer season when most of the stored water is consumed.

The West Coast District Municipality (WCDM) is the bulk water services provider for the southern West Coast region and provides potable water supplied to Saldanha Bay-, Swartland-, Berg-River- and cross border to Drakenstein municipality the WCDM monitored the supply of potable water to these municipal area.



Graph 3.1.3: Graph of Actual saving of water used per municipal area

Further to these savings the distribution losses were lowered to and excellent 2.54%



Table 3.1.1: Full SANS 241 Water quality

**WATER QUALITY
BULK WATER SUPPLY SYSTEMS**



WATER SUPPLY

Posbus / P O Box 242
MOORREESBURG 7310
Telefoon / Phone: (022) 433-2352/3 (24h)
Faks / Fax: (022) 4331013

	Unit	SANS 241:2015 Standard	Withoogte Final Water	Voëlvlei Final Water
pH	pH units	≥ 5 to ≤ 9.7	8.03	8.98
Colour	(mg/l Pt)	≤ 15	5	5
Turbidity	(NTU)	≤ 1	0.64	0.36
Electrical conductivity	(mS/m)	≤ 170	23	15
Total dissolved solids	(mg/l)	≤ 1200	138	99
Chloride	(mg/l)	≤ 300	44.6	26.8
Calcium	(mg/l as Ca)	None	12.1	7.8
Magnesium	(mg/l as Mg)	None	31.82	3.7
Iron	(μ g/l)	≤ 300	< 24	30
Manganese	(μ g/l)	≤ 100	< 19	< 19
Aluminium	(μ g/l)	≤ 300	< 41	32
Zinc	(mg/l)	≤ 5.0	0.03	0.005
Fluoride	(mg/l)	≤ 1.5	0.23	0.15
Nickel	(μ g/l)	≤ 70	< 1	< 1
Nitrate as N	(mg/l)	≤ 11	< 0.20	< 0.20
Sulfate	(mg/l)	≤ 500	8.0	4.6
Cyanide	(μ g/l)	≤ 200	< 20	< 20
Mercury	(μ g/l)	≤ 6	< 5	< 5
Uranium	(μ g/l)	≤ 30	< 15	< 15
Total THM's	(μ g/l)	≤ 560	129	82
Phenols	(μ g/l)	≤ 10	< 5	< 5
Total organic carbon	(mg/l)	≤ 10	0.50	0.42
Viruses and Parasites	Count/10L	ND	ND	-
E. coli	Count/100ml	ND	ND	-
Somatic coli-phages	Count/10ml	ND	ND	ND

ND Not Detected

To qualify for Blue Drop status / recognition, the following criteria must be met: • Water Safety Plan and Incident Management Protocol • Process Management, Maintenance and Management • Drinking Water Quality Monitoring Program • Drinking Water Quality complies with SANS 241: Drinking water • Drinking Water Sample analysis • Submission of drinking water quality results • Publication of drinking water quality management performance • Drinking Water Asset Management

April 2017



Table 3.1.2: Water consumption,

Year	Quantity (kilolitres)			Losses	
	Raw water withdrawn	Purified water delivered	Water sales	Purification	Distribution
2008/2009	24 585 837	23 083 499	21 790 185	6,11%	5,60%
2009/2010	24 315 601	22 769 765	22 076 522	6,36%	3,04%
2010/2011	24 314 294	22 777 941	21 496 174	6,32%	5,63%
2011/2012	25 205 808	23 692 176	22 490 474	6,01%	5,07%
2012/2013	26 220 257	24 550 591	23 328 832	6,37%	4,98%
2013/2014	26 860 870	24 896 806	23 662 082	7,31%	4,96%
2014/2015	27 731 941	26 046 245	24 211 361	6,08%	7,04%
2015/2016	27 563 375	25 865 793	23 730 984	6,16%	8,25%
2016/2017	23 665 619	22 580 836	21 976 300	4,58%	2,56%
T3.1.2					

Table 3.1.3: Employment statistics: Water provision

Job level	2015/2016	2016/2017			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0-3	24	29	29	0	0
4-6	28	33	29	4	12
7-9	34	47	40	7	15
10-12	5	8	5	3	38
13-15	5	5	5	0	
16-18	1	1	1	0	
19-20	0	0	0	0	
Total	97	123	109	14	11 %
T3.1.3					



Table 3.1.4: Financial performance: Water services, 2016/2017 (Year 1) (R'000)

Financial Performance: Water Division					
Details	2015/2016	2016/2017			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	113 808 173	112 562 530	112 562 530	114 391 814	(1.63%)
Expenditure:					
Employees	23 730 920	27 431 530	27 431 530	25 096 075	8.51%
Repairs and maintenance	9 099 909	4 538 000	4 538 000	9 844 207	116.93%
Other	71 963 461	69 893 380	69 893 380	49 441 297	29.26%
Total Operating Expenditure	104 794 290	101 862			
Net Operating Expenditure		10	101 862 910	84 381 579	(17.16%)
					T3.1.4

Table 3.1.5: Financial performance: Working for Water (R'000)

Financial Performance: Working For Water					
Details	2015/2016	2016/2017			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	634 450	-	1 000 000	1 029 836	(2.98%)
Expenditure:					
Employees	452 552	-	-	1 101 689	-
Repairs and maintenance	16 939	-	-	14 434	-
Other	139 836	-	1 000 000	23 050	97.70%
Total Operating Expenditure	609 327	-	1 000 000	1 139 172	(3.92%)
Net Operating Expenditure					
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.					T3.1.5



Table 3.1.6: Progress report on bulk water capital projects, 2016/2017

Project	Budget	Expenditure	Spend (%)	Completion date
Motor Vehicles	R 948 000	R 922 426	97.3%	Jun. 2017
Misverstand WTW	R 226 500	R 202 492	89.4%	Jun. 2017
Voëlvlei Housing water storage	R 132 584	R 120 044	90.5%	May 2017
Pipe Replacement	R 3 027 000	R 2 895 340	95.7%	May 2017
Pump & Motor replacement	R 233 000	R 231 858	99.5%	May 2017
Dosing Equipment: Water	R 190 000	R 188 411	99.2%	May 2017
Air Conditioners	R 21 500	R 21 221	98.7%	Mrt. 2017
Flow meters & Instrumentation	R 231 107	R 226 356	97.9%	May 2017
Valves	R 1 868 809	R 1 836 227	98.3%	Jun 2017
Network & Communication	R 643 900	R 636 250	98.8%	Jun 2017
Tools	R 147 600	R 151 797	102.8%	Apr. 2017
Office Furniture	R 20 000	R 19 377	96.9%	Mrt. 2017
TOTAL	R 7 690 000	R 7 451 798	96.9%	
T3.1.6				

Table 3.1.7: Capital expenditure: Water/Water Distribution

Capital projects	2015/2016		2016/2017		
	Budget	Adjustment budget	Actual expenditure	Adjustment budget	Variance from budget
Projects	5 315 000	4 662 000	7 451 801	7 690 000	3.10%
					T3.1.7



Table 3.1.8: Financial performance: Housing (R'000)

Financial Performance: Housing					
Details	2015/2016	2016/2017			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	1 628 480	2 042 940	2 042 940	1 922 610	5.89%
Expenditure:					
Employees	690 847	820 980	820 980	751 477	8.47%
Repairs and maintenance	638 332	475 730	475 730	380 895	19.93%
Other	6 448	510	510	6 496	1173.73%
Total Operating Expenditure	1 335 627	1 297 220	1 297 220	1 138 867	12.21%
Net Operating Expenditure					
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.</i>					
					T3.1.8

Table 3.1.9: Financial performance: Planning waste and projects (R'000)

Financial Performance: Planning Waste and Projects					
Details	2015/2016	2016/2017			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	-	-	-	18 982	-
Expenditure:					
Employees	2 240 519	2 570 040	2 570 040	2 471 419	3.84%
Repairs and maintenance	-	-	-	-	-
Other	68 475	71 500	71 500	156 813	(119.32%)
Total Operating Expenditure	2 308 994	2 641 540	2 641 540	2 628 232	0.50%
Net Operating Expenditure					
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.</i>					
					T3.1.9



3.2 FREE BASIC SERVICES AND INDIGENT SUPPORT

3.2.1 INTRODUCTION

The West Coast District Municipality Indigent Policy was revised and approved on 02 December 2015.

There are only 14 households left at the Withoogte WTW. The Indigent Policy provides the following to these households:

- a) Water – 6 kl (maximum)
- b) Refuse removal
- c) Sewerage removal
- d) Electricity – 100 units
- e) Rates up to a maximum valuation of R50 000
- f) House rental – 67% of debt raised

Table 3.2.1: Free basic services to low-income households

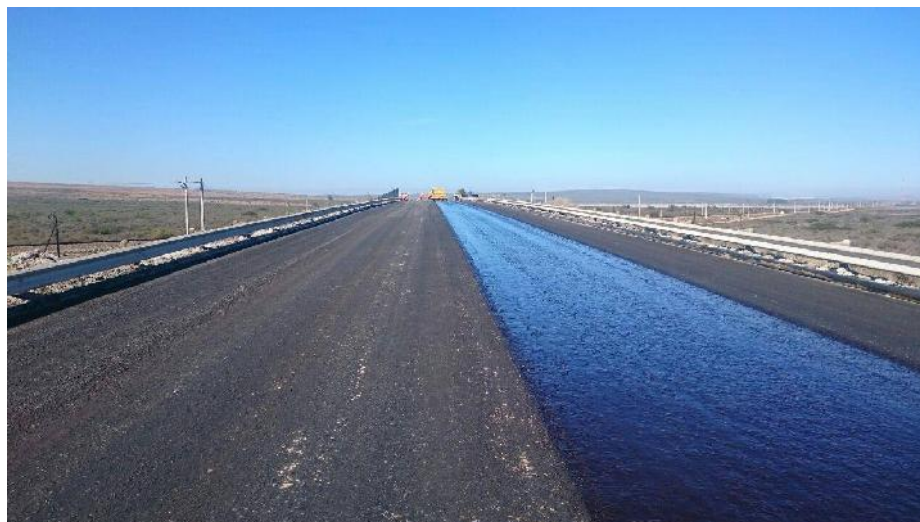
	Number of households				
	Households earning less than R 3 322.00				
	Total	Free basic water	Free basic sanitation	Free basic electricity	Free basic refuse
		Access	Access	Access	Access
2015/16	14	14	14	14	13
2016/17	16	16	16	16	15

The Allpay Grant for October 2016 as published was R1,510.00. The West Coast DM Indigent Policy prescribes that the income of the person should not exceed the limit, 2 x Allpay grant + 10%. Therefore the calculation is as follows: $R1,510.00 \times 2 = R3,020.00 + R302.00 = R3,322.00$.



COMPONENT B: AGENCY SERVICES

3.3 ROADS



PANORAMIC VIEW ON THE WEST COAST AS SEEN FROM WADRIF NEAR LAMBERTSBAY

3.3.1 INTRODUCTION

West Coast District Municipality, a C-municipality and an agent for the road authority- the Provincial Government; Western Cape, maintain permanent paved roads and gravel roads. The agency is managed by an agreement- Memorandum of Agreement [MOA] and the Service Level Agreement [SLA]

Trained and experienced personnel were used for the maintenance of the tarred- and gravel roads. The roads is divided into 3 categories i.e. main-, divisional – and minor roads. Although an exception to the rule, trunk roads can also be included into the agreement but is restricted to the preparation and the resealing thereof.

Budget for the maintenance activities is received from the Provincial Government but not restricted thereto. Interested and affected landowners willing to improve their own social circumstances also contribute towards the upgrading of gravel roads, although not in cash but by materials and/or construction plant/-equipment as in the recent cases with the upgrading of Main Roads 310(Ceres- Citrusdal) and 539 (Hex river near Citrusdal)



Table 3.3.1: Gravel infrastructure (kilometres)

Financial year	Total gravel roads	New gravel roads	Gravel roads upgraded to tar	Gravel roads graded/maintained
2014/2015	7926.16	0	0.93	2174.69
2015/2016	7893.10	0	9.83	2183.25
2016/2017	7878.91	0	10.69	2178.22
				T3.3.1

Typical maintenance activities on gravel roads was blading (dry-, wet and heavy blading), regravelling (including spot regravelling), maintenance of storm water structures(including replacement thereof), maintenance of furniture inside the road reserve as well as subsidizing the replacement of fencing projects.

The jurisdiction is divided into 15 balanced grading wards [consisting of an operator, two general assistants, a grader and a maintenance caravan] a total of 16 655 kilometres of roads was graded. Add to the mentioned graders the availability of 21 drawn graders which is distributed through the jurisdiction for the maintenance of minor gravel roads mainly, by local landowners. The reported performance milestone don't include any of these kilometres graded. The drawn graders was maintained by own staff. The gravel roads was also maintained by 11 maintenance teams consisting out of a foreman, 7 general assistants, a truck and small plant.

1507.78 square meters of tarred road was patched.

The condition of the gravel roads can be summarized as follows;

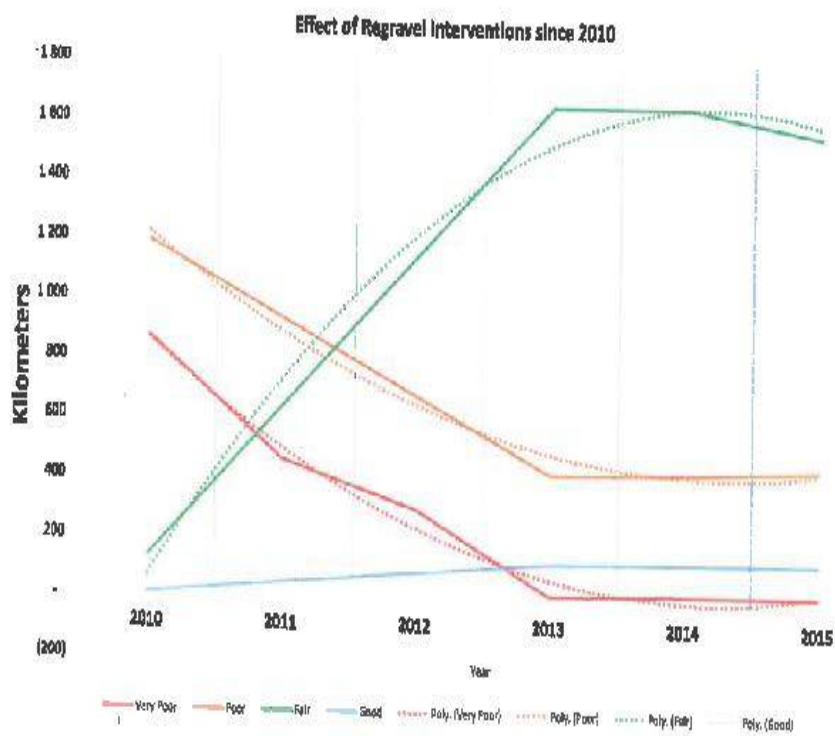
Excellent to good- A %

Fair – B % and

Poor to very poor- C %

The average layer thickness of the gravel roads remains at 22 mm (threshold remains 25 mm) but illustrated graphically, the slope is downwards as can be seen below.





The major challenge towards the maintenance of gravel roads remain the lack of approved strategic borrow pits and availability of standby machines





Upgrade of Divisional Road 1173 near Koringberg

10.69 kilometres of gravel roads was upgraded. The contribution by the adjacent landowners, which benefitted greatly therefrom are acknowledge [See table 3.3.1]. Poor performance by service deliverer(s) was mainly the reason why the set target was not met. Challenge(s) encountered is typical of construction sites as can see below



Main waterline to Lambertsbay affecting protection works of pipe culvert

20 kilometres of road was regavelled but the performance was influenced by interference of State Departments, the lack of approved borrow pits as well as poor service by haul



contractors. The upgrading and regravelling of the gravel roads was done by two teams which mirror each other consisting out of a foreman, 12 operators and 8 general assistants.



Starting a new upgrade project

Table 3.3.2: Asphalt infrastructure (kilometres)

Financial year	Total asphalted roads	New asphalt roads	Existing asphalt roads re-asphalted	Existing asphalt roads re-sheeted	Asphalt roads maintained
2014/2015	1205.36	0.93		19.13	1205.36
2015/2016	1233.99	28.83		39.84	1233.99
2016/2017	1242.77	0		43.53	1242.77
					T3.3.2



The maintenance of defects on paved roads was primarily done by RMT –Contracts administered by the road authority and the District Road Engineers office Ceres.

Portions of paved roads is dedicated to WCDM for the maintenance thereof and 1507.78 m² was patched.

Forthcoming from Table 3.3.2 above, 43.53 kilometres of road was resealed of which WCDM sealed 25.4 kilometres. The withdrawal of the RMT contracts from preparing the respective

roads for resealing by the road authority prevent the Section from meeting the performance target.



Putting the permanent pavement layers down on Main Road 538 near Muisbosskerm,
Lambertsbay

The rehabilitation of 2 kilometres of paved road is in progress but due to the change of the vertical - and horizontal alignment it don't conforms to the definition of rehabilitation and become an upgrading project resulting in increased ground works, expanded project length



and increased budget. Progress were furthermore hampered by poor delivery of road building materials, low minimum and maximum temperatures and the bitumen embargo.



Rehabilitation of Divisional Road 2215 Warmbath near Citrusdal.

Further, rehabilitation of roads within WCDM's jurisdiction were done by C-contracts (5-off) which was managed by the road authority themselves.

The condition of the paved roads can be summarized as follows i.e.

Excellent to good- A %

Fair – B % and

Poor to very poor- C %



Table 3.3.3: Cost of construction/maintenance

FINANCIAL YEAR	GRAVEL			TAR		
	NEW	GRAVEL – TAR	MAINTAINED	NEW	RE- WORKED	MAINTAINED
2014/2015		2 121	73 083			13 453
2015/2016		44 505	73 520			21 630
2016/2017		39 135	60 074		4 780	6 704

The average cost of;

- Dry blading average R 790/kilometre
- Regravelling - R 365 000/kilometre





Personnel receiving training in kerb laying

Table 3.3.4: Employees: Road services

Job level	2015/2016	2016/2017			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0-3	118	140	126	14	10
4-6	27	39	36	3	8
7-9	31	31	31	0	0
10-12	12	12	11	1	8
13-15	2	5	5	0	0
16-18	2	2	2	0	0
19-20					
Total	204	228	211	18	8%
T3.3.4					



20 people of the mentioned 211 is responsible for the maintenance of the Yellow fleet with a replacement value of R 254 million (including small plant). The rest was responsible for the maintenance of 7 878.91 kilometres of gravel – and 48.92 kilometres of permanent paved roads.

Previously disadvantaged people received training linked to the strategic objective of the Division and some lead to qualification. Continuous development of personnel are given by means of work place training, coaching and mentoring.

Supervisory personnel monitored and correct behavioural deficiencies and insure adherence to establish policies and procedures

Vacancies of posts are filled through the recruitment and selection process on an ongoing basis and in line with the provided budget.

Safety meetings and inspection were held on an ongoing basis

Table 3.3.5: Financial performance: Road construction and maintenance (R'000)

Financial Performance: Roads Construction & Maintenance					
Details	2015/2016	2016/2017			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	147 971 623	123 470 000	123 470 000	124 392 718	1%
Expenditure:					
Employees	39 869 604	43 306 200	43 306 200	45 896 571	(6%)
Repairs and maintenance	74 987 935	-	-	-	-
Other	15 707 778	68 178 600	68 178 600	67 190 105	1%
Total Operating Expenditure	130 565 317	111 484 800	111 484 800	113 086 676	(1%)
Net Operating Expenditure					
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.					T3.3.5



Table 3.3.6: Capital expenditure: Road Services (R'000)

Capital projects	2016/2017				
	Budget	Adjustment budget	Actual expenditure	Variance from original budget	Total project value
DR01487(km 24- 45) Regravel	4 200	4 200	4 199	1	7 299
MR00310(km102.4- 103.97) Upgrade	7 000	6 000	3 631	2 369	3 631
MR00538(km 1.74 – 12.1) Upgrade	29 000	29 000	30 743	(1 743)	☺
MR 00539(km16.9 – 25.95) Upgrade	4 000	4 000	3 606	394	829
DR 02215(km 2- 4) Rehab	0	5 500	4 198		☺
MR 00310(km104.48 -105.22	0	1 000	944	6	
MR 00538(km 43.56 – 60) Regravel	4 000	4 000	2 140	1 860	☺
DR01173(km 0.41-1.174) Upgrade	0	0	159		☺
TR 16/2(km 4.6 -25)Reseal	6 495	6 495	5 482		☺
TR 16/2(km 30 -35)Reseal	1 576	1 576	306	-	☺
					T3.3.6

☺ = Project not completed

() = Over expenditure



Table 3.3.8: Financial performance: Road construction and maintenance (R'000)

Financial Performance: Roads Construction & Maintenance					
Details	2015/2016	2016/2017			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	147 971 623	123 470 000	123 470 000	124 392 718	0.96%
Expenditure:					
Employees	39 611 364	43 306 200	43 306 200	46 042 344	(6.32%)
Repairs and maintenance	74 987 935	52 084 840	52 084 840	46 592 425	10.55%
Other	15 966 018	16 093 760	16 093 760	18 341 264	13.97%
Total Operating Expenditure	130 565 317	111 484 800	111 484 800	110 976 033	(0.46%)
Net Operating Expenditure					
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.</i>					T3.3.8



COMPONENT C: PLANNING AND DEVELOPMENT

3.4 TOWN PLANNING

3.4.1 INTRODUCTION

The Division Spatial Planning & Development of the West Coast District Municipality endeavours to promote and facilitate coordinated, regulated spatial planning and land use development and management in the West Coast region in accordance with the strategic objectives of the municipality as contained in the IDP and SDF. This entails addressing the social needs of the community, promoting economic growth, whilst simultaneously protecting the environment to ensure the sustainable use of resources.

The Division provides comments on all proposed projects undergoing environmental assessment in terms of the National Environmental Management Act, 1998 (NEMA) which are circulated to the West Coast District Municipality during the mandated public participation process. Socio-economic, spatial planning and environmental comments are provided on all projects or developments that have a regional impact or that impact West Coast District Municipal functions.

The West Coast District Municipality does not process applications for land use management. This is the function of the respective category B municipalities in their areas of jurisdiction. However, comments on socio-economic status, spatial planning, environmental health, environmental management, fire management and disaster management are provided by the West Coast District Municipality when land use management applications in category B municipal areas are circulated for comment to stakeholders and organs of state.

3.4.2 COMMENTS: PLANNING

3.4.2.1 ENVIRONMENTAL ASSESSMENT REPORTS

During the past year the West Coast District Municipality provided comment on 79 environmental assessment reports circulated during the public participation period required in terms of NEMA.

3.4.2.2 LAND USE MANAGEMENT APPLICATIONS

12 Land use applications were circulated to the West Coast District Municipality for comment during the past financial year.

3.4.3 SHARED SERVICES

In terms of Section 35(1) of the Spatial Planning and Land Use Management Act (Act 16 of 2013), each local municipality must establish a Municipal Planning Tribunal to determine land use and development applications within its municipal area. Municipalities may authorise that certain land use and land development applications be considered and determined by an official in the employ of the municipality. Municipalities must categorise which development applications are to be considered by an official of the municipality and which are to be referred to the Municipal Planning Tribunal.

The WCDM Town and Regional Planner has been nominated to serve as an external member on the Bergrivier and Saldanha Bay Municipal Planning Tribunals.



3.4.3.1 BERGRIVIER MUNICIPAL PLANNING TRIBUNAL

The Bergrivier Municipal Planning Tribunal determines applications on which objections were received during public participation, as well as applications on land owned by the municipality. During the past year decisions were taken on 20 land use applications at the 8 meetings of the Bergrivier Municipal Planning Tribunal.

Table 3.4.1: Applications for land use (not applicable to West Coast District Municipality)

Detail	Formalisation of townships		Rezoning		Built environment	
	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017
Planning application received	0	0	0	0	0	0
Determination made in year of receipt	0	0	0	0	0	0
Determination made in following year	0	0	0	0	0	0
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year-end	0	0	0	0	0	0
						T3.22

Land use management applications are not handled by the West Coast District Municipality and are processed by the respective B municipalities in the District.

Table 3.4.2: Employees: Planning

Job level	2015/2016	2016/2017			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
13-15	1	1	1	0	0%
Total	1	1	1	0	0%
					T3.4.2



Table 3.4.3: Financial performance: Land and Buildings (R'000)

Financial Performance: Land and Buildings					
Details	2015/2016	2016/2017			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	356 622	1 450 260	1 450 260	404 706	72.09%
Expenditure:					
Employees	822 529	837 060	837 060	954 921	(14.08%)
Repairs and maintenance	428 135	531 750	531 750	233 491	57.97%
Other	1 611 860	1 510 860	1 510 860	804 215	46.77 %
Total Operating Expenditure	2 862 524	2 879 670	2 879 670	1 982 627	31.15%
Net Operating Expenditure					
<p><i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.</i></p>					

T3.4.3



3.5 LOCAL ECONOMIC DEVELOPMENT

3.5.1 INTRODUCTION

Regional Economic Development in the West Coast

1. Investment promotion support and destination marketing

Over the reporting period the District Municipality continued facilitating investment promotion support and destination marketing to the region as a whole and to the five local municipalities within its area of shared jurisdiction, namely Bergrivier, Cederberg, Matzikama, Saldanha Bay and Swartland municipalities.

The avenues that were employed consisted of a range of print, online-electronic and collaboration platforms. Prime position through an inside front cover placement in the Wesgro endorsed Western Cape Business publication was enjoyed by the district, as well as additional coverage on the front cover with the District Municipality logo. This was augmented with an online electronic newsletter with an online circulation and readership in excess of 16 million businesses globally, and a page-per-municipality investment website hosting and investment matching platform called Matchdeck. These avenues deliver a traceable investment inquiry pipeline that is directed to each local municipality.

2. Online development collaboration and networking

The West Coast District Municipality has provided online collaboration and networking platforms for integrated economic development to four of the five local municipalities within the district. This enables them to host up to 100 online collaboration groups within their municipal area, over any developmental or municipal aspect or function. This was accompanied with ongoing training and mentoring to all members and participants.

3. Economic Development implementation support and supplier development

Key catalytic job- and income generation projects were supported over the reporting period, and were given an opportunity to showcase and exhibit their operations at the second Western Cape Supply Chain Management Indaba, held during November 2016 and hosted by the West Coast District Municipality. This indaba focused on the emerging local government theme of finding synergies between Local Economic Development policy and practice, and Supply Chain Management within municipalities.

4. West Coast Business Development Forum

The Department of Co-operative Governance supported West Coast Business Development Forum transitioned over this period from having facilitation services being directly provided by the department to these services and the administration again being driven by the partners themselves. In this regard a few planning meetings were held with the BDF leadership, who affirmed their commitment to this process and its objectives. Newly elected councillors also benefitted from the DCOG doing councillor induction on the Business Development Forum programme of the Department of Co-operative Governance (DCOG).



5. District- and Local Municipality co-operation for Economic Development

A request from the organising committee of the Western Cape SCM forum and Indaba to present on the role of the District Municipality, was referred to one of the local municipalities in the area, viz. Matzikama, to make a practical presentation on co-operation between a District- and Local Municipality for economic development. This well received presentation focused on the enabling environment and co-ordination/ support role a district municipality can play towards its local municipalities, in order to facilitate economic development.

Table 3.5.1: Employees: Strategic Services

Job level	2014/2015	2015/2016			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0-3					
4-6					
7-9	1	1			
10-12	1	1	2	0	0
13-15					
16-18	1	1	1	0	0
19-20					
Total	3	3	3	0	0
T3.5.1					

Table 3.5.2: Financial performance: Strategic Services (R'000)

Financial Performance Strategic Services					
Details	2015/2016	2016/2017			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	-	-	142 711	540 322	(278.61%)
Expenditure:					
Employees	1 332 050	1 522 980	1 522 980	1 582 423	(3.92%)
Repairs and maintenance	-	3 000	3 000	97	96.77%
Other	985 625	1 893 430	2 036 141	2 233 024	(9.67%)
Total Operating Expenditure	2 317 675	3 419 410	3 562 121	3 815 772	(7.12%)
Net Operating Expenditure					
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.					
T3.42.6					



3.6 TOURISM & COMMUNICATION

3.6.1 INTRODUCTION

The tourism section of the West Coast District Municipality's mandate which aims to develop and promote tourism is drawn from both the South African Constitution (Act 108 of 1996), where municipalities are given the responsibility for leading, managing and planning for development, and the Municipal Structures Act (Act 117 of 1998), where district municipalities are given the responsibility for the "promotion of local tourism for the area of the district municipality".

3.6.2 COMMENT: TOURISM

Tourism is regarded as the fastest growing economic sector in the world and therefore is a sector that has the potential to stimulate global economic recovery. Being a labour-intensive industry, tourism has a major capacity to create jobs, and since it contributes to a variety of economic sectors it forms the backbone of the economy for many towns on the West Coast.

Table 3.6.1: Economic activity by sector (R'000)

Sector	2014/2015	2015/2016	2016/2017
Tourism	767 932 671	837 046 611	877 269 407
Total	767 932 671	837 046 611	877 269 407
T3.28			

Table 3.6.2: Economic employment by sector (jobs)

Sector	2014/2015 Numbers	2015/2016 Numbers	2016/2017 Numbers
Tourism	3 233	4 270	4 526
Total	3 233	4 270	4 526
T3.29			

Table 3.6.3: Job creation through EPWP projects

Detail	EPWP projects (N)	Jobs created (N)
2014/2015	1	1 Tourism student was employed for 6 months
2015/2016	2	One student was appointed for 6 months and one intern for 3 months
2016/2017	1	One Student was appointed for 6 months
T3.6.3		



Table 3.6.4: Employees: Tourism

Job level	2015/2016	2016/2017			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0-3					
4-6					
7-9	1	1	1	0	0
10-12	3	3	3	0	0
13-15	1	1	1	0	0
16-18					
19-20					
Total	5	5	5	0	0
T3.31					

Table 3.6.4: Financial Performance Tourism

Financial Performance Tourism					
Details	2015/2016	2016/2017			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	-	-	-	94 914	
Expenditure:					
Employees	1 08 578	2 099 580	2 099 580	1 884 677	10.24%
Repairs and maintenance	-	4000	4 000	155	96.13%
Other	771 780	928 820	928 820	985 740	(6.13%)
Total Operating Expenditure	2 280 358	3 032 400	3 032 400	2 870 572	5.34%
Net Operating Expenditure					
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.</i>					
T3.3.6.4					

3.6.3 OVERALL TOURISM PERFORMANCE

Currently, one in 22 employed people in South Africa work in the tourism industry, representing 4,5% of the total workforce. In fact, tourism surpasses mining as an employer. Western Cape GDP forecasts by sector by district, 2015 – 2020, that the West Coast will reach a 2,9% average growth per annum which is higher than agriculture and follows after construction, transport and finances/real estate. (PERO 2014). In 2015 tourism contributed 15,3% to the GDP of the West Coast Region. (MERO 2016).

The 2016 Annual Research Key Facts on tourism in South Africa, released by the World Travel and Tourism Council states that: "The direct contribution of Travel & Tourism to GDP was



R118.6bn (3.0% of total GDP) in 2015, and is forecast to rise by 3.9% in 2016, and to rise by 3.8% pa, from 2016-2026, to R178.3bn (3.4% of total GDP) in 2026.

The total contribution of Travel & Tourism to GDP was R375.5bn (9.4% of GDP) in 2015, and is forecast to rise by 3.0% in 2016, and to rise by 3.7% pa to ZAR555.1bn (10.6% of GDP) in 2026.



Cape West Coast Visitor Trends Annual 2016

Wesgro

cape town & western cape
tourism, trade & investment

%

share of overseas visitors	22.1%
share of domestic visitors	76.9%
share of overnight visitors	48.9%
share of day visitors	51%

Top 3

international markets

United Kingdom (25.9%)
Germany (29.5%)
Netherlands (8.5%)

Top 3

domestic markets

Gauteng (17.2%)
Western Cape (58%)
Kwazulu-Natal (7.7%)

Main purpose of visit



Holiday/Leisure 73.6%



Business 5.1%



VFR 4.7%

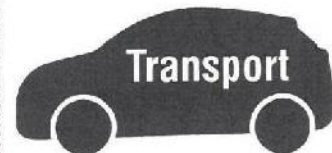


Travel group size	
Pairs	49.2%
Alone	18.9%

Age group	
36-50	(17.7%)
51-70	(16.5%)

Length of stay

1 night	33.7%
2 nights	29.5%
3 nights	10.6%



Rented car	23.5%
Own vehicle	63.1%

Top information sources

Internet/Websites..	18.5%
Word of mouth.....	24.6%

Average daily spend

R501 – R1000 (31.6%)



Average spend on accommodation

R1001 – R2000 (12.3%)



Top 3 activities in the Cape West Coast



Top accommodation

B&B	8.1%
Guesthouse	8.2%



Overseas Domestic

Scenic drives (23.3)	Gourmet restaurants (11.1%)	Culture/heritage (12.2%)
Scenic drives (26.7%)	Culture/heritage (15.9%)	Beaches (10.4%)

COMMENT ON TOURISM

DEVELOPMENT INITIATIVES

12 SMME tourism businesses were assisted to grow their businesses and **9 SMME skills training workshops** took place throughout the year which included tourism awareness, customer service, tourism business management and financial management.

MARKETING INITIATIVES

Since the Western Cape is our biggest market we attended 2 Tourism Expos in the Western Cape namely **the KykNET Buitelug Ekspo in Malmesbury** as well as the **World Travel Market Africa Expo** in Cape Town. As can be seen from the statistics, Gauteng is our biggest market of all the provinces and our attendance at the **Get Away Expo** as well as the **Beeld Vakansie Expo** in Johannesburg has a strong influence. Our attendance at the **Tourism Indaba** in Durban played a main role in increasing the international visitors to the West Coast by about a 1% compared to the previous year. Exhibiting at the **Namibia Expo** in Windhoek once again secured that visitors from Namibia is on top of the list for **visitors from Africa**.

International as well as local **tour operators, media and blog writers** were invited to visit the West Coast and taken around to the attractions on the West Coast. A Summer Welcome campaign was hosted as well as networking sessions and many promotions on social media.



	<p>Get Away Expo, Johannesburg. Saldanha Bay Tourism joined us at the expo from 23-25 Sept. 2016, where 21 872 visitors learned more about all the exciting tourism offerings of the West Coast</p>		<p>MeetingsAfrica 2017 - Johannesburg, - 28 Feb and 1 March 2017, with Wesgro, selling the West Coast as an ideal break-away to events companies. The stand won the top green award for stand built and promotion.</p>
	<p>Beeld Expo, Johannesburg West Coast Tourism exhibited at the show with Bergrivier & Saldanha Bay on 24-26 Feb. 2017. Congratulations to the team who won an award for Service Excellence and stand design. 28486 visitors attended the expo.</p>		<p>At the Tourism Indaba held in Durban from 31st May – 3 June 2017. West Coast Tourism exhibited on the Wesgro stand with other Western Cape regions. Meetings were hosted with operators from Europe, Asia, North, South America and Africa..</p>
	<p>At the World Travel Market Africa trade Expo, held on 19-21 April 2017 at the CTICC, we met with operators from East Europe, Europe, Asia, United Emirates, USA and South America.</p>		<p>West Coast exhibited at the Namibia Expo in Windhoek on 31 May – 3rd June 2017, in partnership with Bergrivier & Saldanha Bay. It was once again a great success with 20999 visitors.</p>
	<p>West Coast hosted a Responsible Tourism workshop on 18th October 2016. Sixty eight tourism stakeholders attended and a very dynamic social media campaign was launched in June 2016. One of the outcomes is the very popular, #GoGreenWESKUS.</p>		<p>12 SMME businesses were assisted to grow their businesses and 9 SMME skills training workshops took place throughout the year which included customer care, service excellence, tourism business management, Social Media & Responsible Tourism.</p>





49 959 Brochures and promotional maps were printed and distributed at tourism expos, events and information offices. Although e-marketing is getting more dominant, many travellers still prefer brochures and especially maps.



63 Promotional activities were initiated to market the West Coast as a destination of choice to tourists, tour operators, blog writers and media from other provinces as well as other countries like India, China, Europe, North and South America.



MEDIA AND COMMUNICATION

Introduction:

The West Coast District municipality places a high premium on effective and accurate communications to the public and its stakeholders. Improved communication between department in the municipality enhance collaboration of projects and improves service delivery. Intergovernmental relations between different spheres of government eliminates duplication of efforts.

How does the municipality communicate with its stakeholders?

- **Quarterly newsletter**

One external newsletter is printed and distributed to libraries, Thusong centers and other public places

- **Internal newswatches and newsletters**

Internal newsletters are printed monthly and distributed with the salary slips. News flashes with notices, news and announces are published via email.

- **Social media**

The tourism unit has an established social media presence. The municipality is in the process of drafting a social media plan to assist with the roll out of social media communication for the WCDM

- **Website**

News, notices, tenders and vacancies and published on the website.

- **Brochures and flyers**

Brochures and flyers are printed as needed to create awareness in communities

- **Exhibitions and community outreach initiatives**

Exhibition are held to market the municipality and its tourism offerings as a preferred destination. Community outreach initiatives are done to create awareness. These public relations drives are mostly done in collaboration with local municipalities and other government departments

- **Local media**

WCDM has established good relationships with local media, both print and radio, and news articles are published in all local newspapers on a weekly basis.



COMPONENT D: COMMUNITY AND SOCIAL SERVICES

3.7 CHILD CARE, AGED CARE, SOCIAL PROGRAMMES

3.7.1 INTRODUCTION

Social development is about putting people at the centre of development. This means a commitment that development processes need to benefit people, particularly but not only the poor, but also a recognition that people, and the way they interact in groups and society, and the norms that facilitates such interaction.

Developmental Local Government means a Local Government committed to “work with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives”.

Our core mandate as WCDM, as part of the Constitution (Section 152), is to create an enabling environment for communities in the West Coast where they can function optimally.

In his inauguration speech the Mayor, Alderman Cleophas, announced that the theme for the next five years will be “restoring the social fabric in our area”.

Social fabric is the glue which holds a society together. It is the bonds which people share that can help to form a culturally rich and socially cohesive community. In order to restore and build the social fabric necessary for the nurturing of a gentler environment for socialisation, we need to come up with strategies that will mitigate the effects of poverty, violence and crime, HIV/AIDS etc.

Promoting the social wellbeing in the community is one of the strategic objectives of WCDM. The social development and outreach programmes focus on the most vulnerable people and groups in society. Focus groups include women, men at risk, children, people with disabilities, youth, elderly and those affected by substance abuse. With this objective in mind WCDM allocates resources and budget to create social cohesion and wellbeing for future generations

PROJECTS 2016/17

1. PROGRAMMES FOR ELDERLY

A) GOLDEN GAMES

The District Golden Games event took place on 18 July 2016 at the Vredenburg Sport ground. Approximately 250 participants from throughout the West partook in the games. As it was also Madiba Day, knee blankets were handed over to each participant.

The Provincial Golden Games took place on 31st August 2016 at the Blue Downs Stadium where 70 participants from the West Coast area partook.

The National Golden Games took place on 23 – 29 October 2016 in Limpopo. National Department Social Development decided that the Games will no longer be on a competition basis, but will be more recreational in an attempt to give more elderly the opportunity to



participate on a National basis. 17 Participants from the West Coast area were selected to partake in the National Games.



B) NATIONAL WILL WEEK

National Wills Week was held from 12 to 16 September 2016. During this period participating attorneys drafted basic wills free of charge. WCDM in partnership with Legal Aid hosted 3 sessions in the Swartland, Saldanha and Matzikama area whereby lawyers and attorneys from Legal Aid assisted senior citizens with drafting of wills.

Information with regards to the following were also given through:

- Why you must have a will;
- Why should an attorney / lawyer drafting your will; and
- What happens to your estate if you die without a valid will?

2. PARENTING SKILLS

A) SAFETY AND FOSTER PARENTS APPRECIATION EVENT

This event took place on 26 April 2017 at the Rhino Sport Park, Piketberg. The purpose of the day was to show appreciation to safety and foster parents for their unselfish efforts in taking care of vulnerable children. During this session parents were treated with hand massages, manicures and make-up sessions. The event was attended by 56 safety and foster parents. This initiative was a partnership between DSD, WCDM, Bergriver Municipality and the Department of Health.

B) FOSTER PARENTS PROGRAMME

60 Foster parents from different areas in Saldanha were recruited to form part of the foster parent's programme which started on 04 April and ended on 25 May 2017. This programme was a partnership between WCDM and DSD in Saldanha.

The support group was facilitated in collaboration with Aurora WindPower who empowered foster parents with the necessary skills to strengthen their families through the valued citizen's programme:

- Respect & Discipline begins at home
- Emotions
- Different parenting styles



- Resolving conflict within the family

Above mentioned topics really impacted the foster parents. The group was facilitated in a very open manner, group members could learn from one another and shared their personal experiences.



C) INFORMATION, AWARENESS AND PARENTING SKILLS DEVELOPMENT WORKSHOP

On 26 – 27 October an information, awareness and parenting skills development workshop with 50 parents/families and caregivers from Goedverwacht and surrounding farms took place. The objectives of the workshop were:

- Information sharing to parents / families and caregivers regarding their children, domestic violence, substance abuse, health, rights of older persons and how to apply for admission to an old age home;
- To ensure that parents/caregivers are equipped with information that will contribute to positive decision making in the future regarding their own and their children's circumstances;
- To identify obstacles within the community and to ensure better service delivery by stakeholders;
- The establishment and implementation of a Community Structure / Action Committee to ensure sustainable development;
- Information to parents/caregivers on the development and stimulation of the young child through play; and
- Integrated programme planning and networking with stakeholders to ensure effective service delivery to the community and to make services more accessible.



D) AWARENESS ON SUBSTANCE ABUSE AND PARENTING SKILLS TRAINING

Above mentioned programme took place during 21-25 November 2016 in Velddrif and 28 November till 01 December 2016 in Aurora as part of the 16 Days of Activism against Violence against Women and Children. This programme was a partnership between WCDM, SAPS Laaipele, Department of Health, FDSA Youth Centre in Velddrif, Department Correctional Services in Porterville and the Women's Network Trust in Aurora.

Main goals of the programme were:

- Awareness, prevention and intervention;
- Educate parents and caregivers on parental rights and responsibilities;
- Modify behaviour of the children concerned (behavioural youth);
- Restore parent child relationships;
- Integrated approach to reaching out to communities;
- Strengthen parenting capacities in the communities;
- Create experience and awareness of the consequences of adverse behaviours by behavioural youth; and
- Equip parents with knowledge and skills for improved parenthood.

This programme was a strategy to provide the identified communities with a platform for education, gaining information and forming part in fighting social issues such as substance abuse, domestic violence and a lack of parental responsibilities.

3. FOETAL ALCOHOL SYNDROME (FAS) TRAINING

A) Ten (10) volunteers from surrounding farms in the Matzikama area were trained as mentors in combatting Foetal Alcohol Syndrome. The volunteers were trained to:

- Support and guide women during their pregnancy period;
- Inform women about the danger of alcohol during pregnancy;
- Identify risk pregnancies;
- Identify children with FAS and educate parents on how to stimulate these children;
- Establishing support groups for women; and
- Combatting alcohol abuse





- B) On 8, 9, and 10 June 19 participants from the Darling area attended a training session. The purpose of the training was to equip the mentors with the knowledge on how to assist and support the pregnant women using alcohol during their pregnancy. The outcomes of the programme were:
- The practitioners were introduced to the importance of the positive relationship within the community;
 - Mentors were equipped with the skills to educate more pregnant women in their communities;
 - To help the pregnant women abusing alcohol live a healthy life for herself and her baby; and
 - Mentors were given a user friendly package about FASD to assist them when doing their fieldwork.

4. HIV /AIDS AWARENESS CAMPAIGN

A roadblock took place on 01 December 2016 at the weighbridge N7, in partnership with Department Correctional Services, Department of Health, Department Social Development, Swartland Municipality, SAPS and Provincial Traffic. The purpose of this roadblock was to raise awareness with regards to HIV/AIDS and the 16 Days of Activism against women and children.

+750 Vehicles was stopped and +- 2 500 information packs distributed. On site HIV/AIDS tests were also done by the Department of Health.



5. DISABILITY FUN-A-BILITY-DAY

The West Coast Disability Forum, in partnership with WCDM, Saldanha Municipality and the Department of Cultural Affairs and Sport held a day full of fun activities for disabled people with a wide range of disabilities. The day started with a 2km walk in order to raise awareness around people with disabilities. Each beneficiary also received a food parcel

6. LEARNER'S DRIVERS LICENCE PROGRAMME FOR FARM WORKERS

WCDM in partnership with the Provincial Department of Transport and Public Works offered Learner's Drivers Licence courses to farm workers in Clanwilliam and surrounding areas. During this three-day long session they studied road signs and rules.



7. DONATION FOR SIYABONGA

Siyabonga Care Centre focuses on the rehabilitation of abused women and children. WCDM donated sanitary products and gift bags to the centre.

The social worker at Siyabonga expressed her sincere gratitude to WCDM for the donation and especially for the sanitary products. "We strive to rebuild the confidence of these ladies and children in order for them to take up their rightful place in society", she said.





8. LOCAL DRUG ACTION COMITTEES (LDAC)

A) ESTABLISHMENT OF LDAC

WCDM assisted Cederberg and Bergrivier Municipality in establishing their Local Drug Action Committees.

The functions of a Local Drug Action Committee according to the Prevention of and Treatment for Substance Abuse Act 2008, 70 of 2008, 60(1) are:

- Ensure that effect is given to the National Drug Master Plan (NDMP) in the relevant municipality;
- Ensuring that its drug control action plan fits into the local integrated plan (IDP);
- Compile an action plan to combat substance abuse in the relevant municipality in cooperation with provincial and local governments;
- Ensure that its action is in line with the priorities and the objectives of the integrated Mini Drug Master Plan and that it is aligned with the strategies of government departments;
- Implement its action plans;
- Annually provide a report to the relevant Provincial Substance Abuse Forum concerning actions, progress, problems and other related events in its area; and
- Provide such information as may from time to time be required by the Central Drug Authority.





B) LDAC TRAINING

Above mentioned training took place on 19 May 2017 in Malmesbury and was attended by 13 LDAC members throughout the Swartland area. The following topics were covered during the training:

- Adverse childhood experiences leading to drug addiction;
- Trauma and stress and its effects on the human brains;
- Family and the importance of a support system; and
- Effective communication

9. WEST COAST COMMUNITY OF PRACTISE

WCDM, Department Social Development, Provincial Community Development Programme, Swartland Municipality and Saldanha Municipality has agreed to collaborate in building Community Development in the West Coast by establishing a Forum, the West Coast Community of Practice (CD – WCCoP).

The strategic goals of the forum are:

- To ensure that the practice of Community Development in the West Coast region be executed in an integrated and professional manner, in partnership with and beneficial to all communities; and
- To establish a platform, in building the practice through sharing of knowledge, models of best practices and input into research on community development within the South African context.

The purpose of the CD-WCCoP is to:



- Strive towards excellence in implementing Community Development in the West Coast Region;
- Foster integration and collaboration between all community development sectors / role players in the West Coast Region;
- Consult and give input on issues relating to the development agenda on National, Provincial and Local level;
- Making communities the centre of community development; Acknowledge and reward contributions made to the community development agenda as a whole; and
- Establishing formalized partnerships with all role players in the community development sector.

10. EARLY CHILDHOOD DEVELOPMENT (ECD)

A) ECD BABIES AND TODDLER TRAINING

Above mentioned training for ECD practitioners working with playgroups within the Cederberg area took place FROM 29 March till 01 April 2017 in Clanwilliam. This training initiative was a partnership between WCDM, Grassroots and the Department Social Development. Topics covered during the course of the training were as follows:

- Legislation on ECD;
- National Curriculum Framework on ECD;
- Children's Rights;
- Daily Programmes;
- Resource making;
- Interaction with babies;
- Classroom layout; and
- Record keeping and report writing

Upon completion of the training each facility received a bag with educational toys as sponsored by Grassroots.





B) EARLY CHILDHOOD DEVELOPMENT (ECD) GOVERNANCE TRAINING

Above mentioned training for ECD board members within Matzikama area took place on 24-25 March 2017. 15 Board members attended the training. Topics covered during the training were:

- Legislation on ECD;
- ECD Policies;
- Organizational Structures;
- Authority and Delegation;
- Meeting Management; and
- Problem solving

11. YOUTH

A) GERMAN EXCHANGE PROGRAMME

In 2014 an agreement was signed between WCDM and the organisation KIEZ in Germany. Since 2015, youth from the West Coast were invited to attend an international camp in Germany. The 2016 camp took place from 9 till 18 July in Blankenburg, Germany and was attended 12 youth and 4 adults. The goal of the camp is to encourage tolerance between cultures, develop leadership, broaden learners' vision and expand learners' feeling of responsibility for the immediate environment to the rest of the world. The camp was also attended by youth from Germany, China, Vietnam, Kazakhstan and a Refugee Camp.



During October 2016 WCDM received a visit from 30 youth and 3 adults from Germany. For their duration of stay the group were hosted at Ganzekraal Holiday Resort. They were exposed to various towns and tourist attractions throughout the West Coast



B) SALDANHA YOUTH CAMP

WCDM partnered with Saldanha Municipality in hosting a youth camp at the Tabakbaai Holiday Resort.



The purpose of the camp was to establish a youth council. Youth from all 7 High Schools in the Saldanha area attended the camp/

C) SWARTLAND YOUTH CAMP

During 06 – 09 June 2017 WCDM partnered with Swartland Municipality in hosting a youth camp at Ganzekraal Holiday Resort. Other partners included the following stakeholders:



- SAAYC: Youth Clubs
- ABSA: Youth is Business
- WCCF: Youth Banks
- Bergriver Municipality: IDP and Youth
- Department Social Development: Services and Youth Development Strategy
- Department of Labour: Services to unemployed youth

Table 3.7.1: Financial Performance

Financial Performance Development					
Details	2015/2016	2016/2017			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	-	-	-	56 949	-
Expenditure:					
Employees	2 556 531	2 366 240	2 366 240	2 506 209	(5.92%)
Repairs and maintenance	-	-	-	-	-
Other	656 535	739 400	739 400	645 200	12.74%
Total Operating Expenditure	3 213 066	3 105 640	3 105 640	3 151 409	(1.47%)
Net Operating Expenditure					
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.					
					T3.42.6

Table 3.7.2: Employees

Job level	2015/2016	2016/2017			
	Employees (N)	Posts (N)	Number of employees	Employees (N)	Posts (N)
0-3					
4-6					
7-9					
10-12	5	5	4	1	20%
13-15	1	1	1	0	0%
16-18					
19-20					
Total	6	6	5	1	16%
					T3.7.2

Table 3.7.3: Capital expenditure: Sport and Recreation

Capital projects	2015/2016		2016/2017		
	Budget	Adjustment budget	Actual expenditure	Adjustment budget	Variance from budget
Projects	130 000	141 000	115 544	116 000	0.39%
					T3.7.3



COMPONENT E: ENVIRONMENTAL PROTECTION

3.8 POLLUTION CONTROL (AIR QUALITY)

3.8.1 INTRODUCTION

The National Environmental Management Air Quality Act, 2004 (Act 39 of 2004) came into full effect on 1 April 2010.

Section 17 of the Act places an obligation on organs of state to submit an annual report. Each sphere of government, which also includes local government as defined in terms of Section 239 of the Constitution (Act 108 of 1996), must report on the implementation of its air quality management plan, including information on:

- air quality management initiatives undertaken by it during the reporting period;
- the level of its compliance with ambient air quality standards;
- measures taken by it to secure compliance with those standards; and
- its air quality monitoring activities.

3.8.2 Air Quality Management Planning:

An Air Quality Management Plan (AQMP) was approved by Council in November 2011 and included in the IDP. An Air Quality Management By – law for the WCDM has also been gazetted on 06 September 2013. The AQMP will be reviewed during the 2017/2018 financial.

The following issues were identified in the AQMP that require attention:

INTERVENTION	TIME FRAME	IMPLEMENTATION
Implementation of human resources		
Appoint Chief Air Quality Officer	Short term	Manager: Air Quality officially placed: 06 July 2012
Appoint an Air Quality Officer	Short term	Senior Air Quality Officer appointed 01 December 2012
Appoint an Air Quality Technician	Short to medium term	Not implemented. Personnel structure to be amended to make provision for second Air Quality Officer to be appointed in future. This should receive attention during the 2017/2018 financial year.
Implementation of Air Quality Management Tools		
Emissions Inventory	Short to long term.	DEA published legislation and established an internet based national atmospheric emissions inventory system requiring industry and local government to report to the system on an annual basis. The emissions inventory for the District consists of listed activities licenced in terms of NEM: AQA.
Dispersion modelling	Medium to long term	When required external expertise will be appointed to conduct dispersion modelling. Will have to budget for this.



Implementation of Air Quality monitoring		
Ambient air quality monitoring network	Medium to long term.	Some ambient air quality monitoring done by industry in Saldanha , the West Coast District Municipality and Provincial monitoring station in St Helena Bay and Malmesbury. Saldanha Bay Municipality established an ambient monitoring network comprising of two monitoring stations for criteria pollutants as well as seven dust fallout monitors. The District has entered into a MoU with Local Municipalities to facilitate future ambient air monitoring initiatives. The West Coast District Municipality Air Quality Monitoring Equipment (H2S analyser) was installed at Bergvliet Municipal Hall, Veldrif on 9 June 2017.
Emission Reduction / Control Strategies		
Reduce / control domestic fuel burning	Short to long term. Local Municipalities to address.	Promote the use of renewable energy and create awareness. This issue will receive further attention through the Joint Municipal Air Quality Working Group (JMAQWG) established to improve the working relationship between District and Local Municipalities.
Control of transportation emissions.	Short to long term. Local Municipalities in terms of By-laws.	Do vehicle count and diesel vehicle testing. To be further discussed between District and Local Municipal Air Quality Officers during JMAQWG meetings.
Control of emissions from mining activities.	Short to long term. Department Mineral and Resources with the assistance of Municipalities and Province where required.	Control of dust is through the Mine Environmental Management Programme Report as per the Department Mineral and Resources requirement. Local Municipal Air Quality Officers to apply National Dust Control Regulations and request dust control plan and dust fallout monitoring where required . To be further discussed at JMAQWG meetings.
Control of emissions from agricultural activities.	Local Municipalities with assistance from District and Agriculture.	Control of dust and open burning in terms of Local Municipal By-laws. Is receiving limited attention through interaction with Provincial Department and Agriculture. Local Municipal Air Quality Officers also encouraged through the JMAQWG meetings to provide input when applications for burning permits are considered by WCDM Fire Chief.
Control of emissions from industrial activities.	Short to long term. District and Local Municipalities responsibility.	Licensing of listed activities done by District. Emissions standards enforced through issuing of licences. Emissions from small fuel burning appliances and non-listed industrial activities to be controlled by Local Municipalities through application of their Air Pollution Control By-laws. To be further encouraged through interaction at the JMAQWG meetings.



Control of emissions from waste treatment disposal activities.	Short to long term. Local Municipalities and District with assistance from Provincial Government.	Incineration controlled through licensing in terms of Air Quality Act emission standards. Landfills still to be properly controlled by Local Municipalities with assistance from District and Provincial Government in terms of the Waste Act. To be further discussed at JMAQWG meetings.
Control of emissions from biomass burning i.e. veld fires.	Short to long term. Local and District Municipality's responsibility.	Strict control over veld fires whether naturally occurring or due to planned burning should be implemented. Local Municipal Air Quality Officers encouraged through the JMAQWG meetings to provide input when applications for burning permits are considered by WCDM Fire Chief.

A Memorandum of Understanding (MoU) has been entered into between District and Local Municipalities and a Joint Municipal Air Quality Working Group (JMAQWG) has been established during February 2015. The division of functions between District and Local Municipalities has been finalised and included in the MoU which also serves as terms of reference for the working group. The JMAQWG meets on quarterly intervals and since the first meeting in February 2015 a total of 10 meetings have thus far been held.

With regards to the implementation of the AQMP it is important to note that a Manager: Air Quality and Senior Air Quality Officer has been appointed and that awareness raising is being done through the establishment of working groups and environmental stakeholders forums.

The main function of the West Coast District Municipality is the licensing of listed activities assigned to it in terms of the National Environmental Management: Air Quality Act. Emission standards established in terms of the Air Quality Act are enforced through licence conditions.

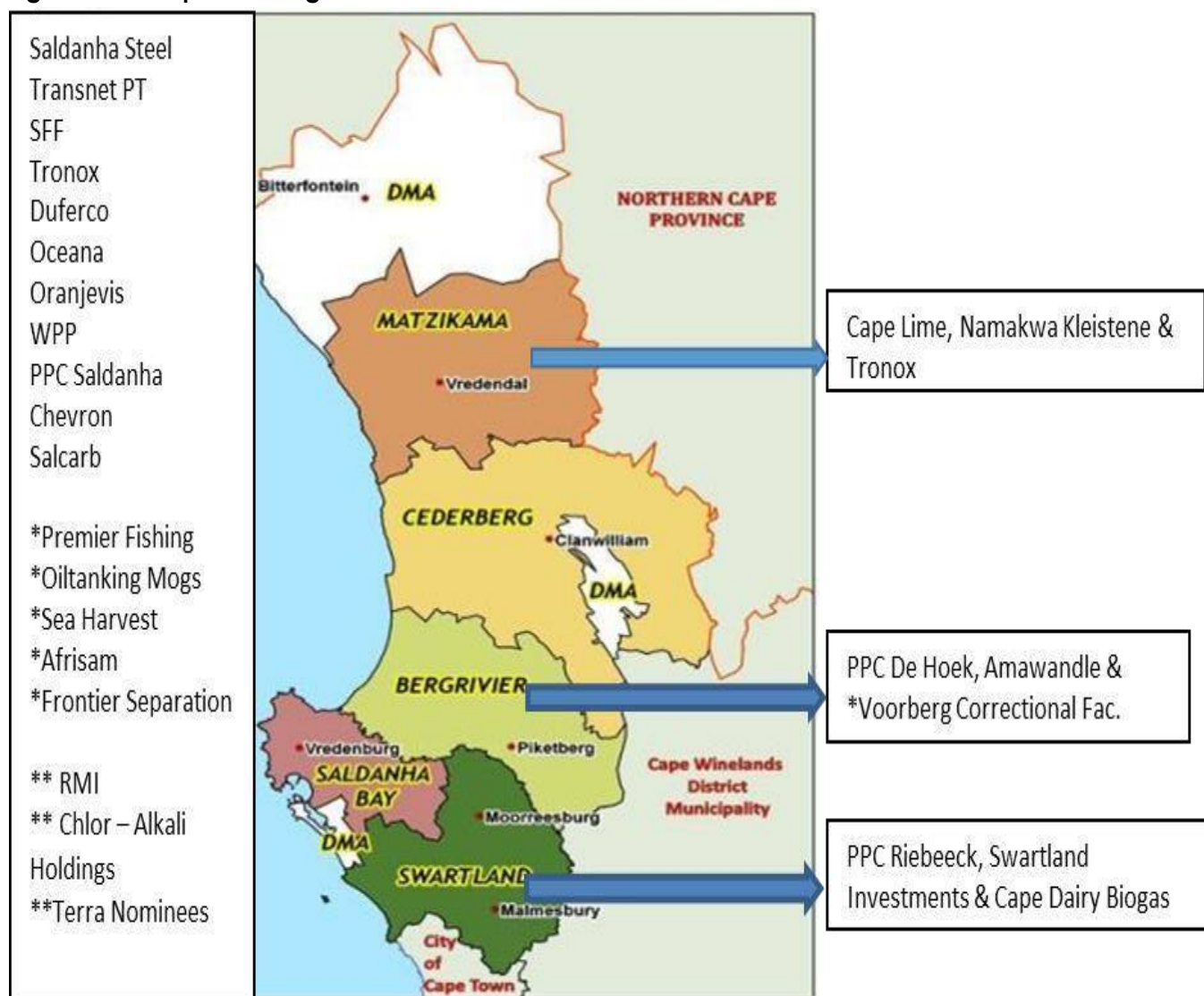
3.8.3 Challenges:

Animal matter processing whereby fish and fish offcuts are processed to fishmeal give rise to offensive odours that result in public complaints. These industries are regulated through licence conditions and are required to apply best practices to control odorous emissions.

Another major issue is the storage and handling of iron ore through the Saldanha Port that result in staining of private and public property. The staining issue has resulted in the establishment of an action group by certain public members and the issue has been escalated to the office of the MEC by the group. An Atmospheric Emission Licence (AEL) was issued on 05 February 2016 followed by a public meeting on 09 March 2016 where the WCDM presented on AEL conditions, the licence holder on AEL conditions and compensation issues and the Western Cape Government on enforcement and compliance. The public meeting was attended by approximately 200 people. A member of public also lodged a complaint with the Public Protector whom requested certain information.



Figure 3.8.1 Map indicating location of listed activities within the West Coast District area:



*** Not operational**

****Pending**

3.8.5 Air Quality Monitoring:

In terms of compliance with ambient air quality standards and air quality monitoring activities, the WCDM is encouraging ambient air quality monitoring and has installed a H2S monitor in the Velddrif area on 9 June 2017.

Ambient air quality monitoring is conducted in the industrial area of Saldanha Bay by certain industries and reported to the West Coast Air Quality Working Group established and chaired by Council's Manager: Air Quality. The Saldanha Bay Municipality also established an ambient monitoring network in the Saldanha Bay area and placed two ambient monitoring stations and seven dust fallout buckets. Results from these stations are also reported to the quarterly West Coast Air Quality Working Group meetings. In terms of the National Framework for Air Quality Management the Saldanha Bay area has been listed as an area of poor air quality



and therefor the majority of stations are found in this area of concern. The ambient air monitoring network established by the Saldanha Bay Municipality will also provide important background information for industrial development resulting from the IDZ approval in the area.

Ambient air quality results as well as dust fallout levels recorded by the Saldanha Bay monitoring stations indicated compliance with national standards.

Table 3.8.1: Air Monitoring Stations

Number of ambient air monitoring stations	Location
4 x Industrial owned stations	Saldanha and Vredenburg
2 x DEA&DP owned stations	St Helena Bay and Malmesbury
2 x Saldanha Bay Municipality owned stations	Saldanha and Vredenburg
1 x West Coast District Municipality owned stations	Velddrif



Table 3.8.2: Section 21 Listed Activities – Atmospheric Emission Licensing

List of AEL applications received and / or processed during reporting period:

APPLICANT	APPLICATION DATE	DATE ISSUED	STATUS
Terra Nominees	09/09/2015	Pending	Pending



Table 3.8.3: Emissions Inventory – Listed activities per Local Municipal Areas:

LISTED ACTIVITY	TYPE OF INDUSTRY	STATUS	MUNICIPAL AREA
Saldanha Steel	Steel manufacturing	AEL	Saldanha Bay
Transnet Port Terminal	Iron ore storage and handling	AEL	Saldanha Bay
SFF	Crude oil storage	AEL	Saldanha Bay
Tronox	Minerals smelter	AEL	Saldanha Bay
Duferco	Galvanizing	AEL	Saldanha Bay
PPC Saldanha	Drying plant	AEL	Saldanha Bay
Oceana	Fishmeal production	PAEL	Saldanha Bay
Oranjevis	Fishmeal production	PAEL	Saldanha Bay
WPP	Fishmeal production	PAEL	Saldanha Bay
Premier Fishing	Fishmeal production	PAEL	Saldanha Bay
Afrisam	Cement manufacturing	Pending	Saldanha Bay
Sea Harvest	Fishmeal production	PAEL	Saldanha Bay
Oiltanking Mogs	Crude oil storage	PAEL	Saldanha Bay
RMI	Rare Metals industry	Pending	Saldanha Bay
Frontier Separation	Rare earth separation plant	PAEL	Saldanha Bay
Chevron	Storage of petroleum products	AEL	Saldanha Bay
Chlor-Alkali Holdings	Chemicals production	Pending	Saldanha Bay
Terra Nominees	Storage of ore and coal	Pending	Saldanha Bay
Salcarb	Drying of mineral solids	AEL	Saldanha Bay
PPC Riebeeck	Cement manufacturing	AEL	Swartland
Swartland Investments	Wood drying	AEL	Swartland
Cape Dairy Biogas	Animal matter processing	PAEL	Swartland
PPC De Hoek	Cement manufacturing	AEL	Bergrivier
Amawandle	Fishmeal production	PAEL	Bergrivier
Voorberg Correctional facility	Incinerator	Pending DEA responsibility	Bergrivier
Namakwa Klei Stene	Clay brick manufacturing	AEL	Matzikama
Tronox Mineral Sands	Drying plant	PAEL	Matzikama
Cape Lime	Lime production	AEL	Matzikama



3.8.4 Summary of Complaints:

Type of complaint	WCDM
	Annual Total
Fumes	0
Smoke	17
Dust	31
Burning waste/Tyres	5
Farm land burning	0
Crop spraying	0
Offensive odours	12
Unlicensed Facilities	0
Noise	7
Other	1
Total	73

3.8.5 Co-operative Governance:

The following compliance and enforcement inspections were conducted where all three spheres of government were involved.

Name of industry	Industry type	Government departments
WPP	Fishmeal production	WCDM
Salcarb	Drying	WCDM
TPT	Ore storage	DEA&DP , SBM & WCDM



Table 3.8.6: Employees: Pollution Control

Job level	2015/2016	2016/2017			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0-3					
4-6					
7-9					
10-12	1	1	1	0	0
13-15	1	1	1	0	0
16-18					
19-20					
Total	2	2	2	0	0
T3.8.6					



3.9 ENVIRONMENTAL INTEGRITY

CLIMATE CHANGE FRAMEWORK FOR THE WCDM

The West Coast District Municipality completed its Climate Change Framework with all local municipalities within the region. The Framework was adopted and approved at the Mayoral Committee meeting dated the 18th of March 2015. DEADP's Municipal Support Programme did a presentation to discuss the way forward with the implementation of the completed framework with the Councillors. It was agreed at the end of the workshop that each Councillor that represents a local municipality would take the Climate Change Framework to their respective local Councils to also be adopted locally.

COASTAL MANAGEMENT (ICM ACT 24 of 2009)

The West Coast Municipal Coastal Management Plan (CMP) is complete and was approved by Council on the 28th of August 2013 at the Council Meeting. In terms of the Integrated Coastal Management Act (ICMA) the plan needs to be reviewed and updated every 5 years, which is due within the 2017/18 Financial year. The West Coast DM has also established a Municipal Coastal Committee (MCC) forum which meets quarterly with representatives from all sectors, including local municipalities to discuss and resolve strategic and holistic coastal management challenges within the region.

EPWP PROJECTS – EAC/Social/Infrastructure (Coastal Management/Alien Clearing)

Good progress is still being made regarding the removal of alien vegetation from the Bergriver/Misverstand area. The EPWP – Environmental Sector Project - is run in partnership with Department Agriculture (Landcare), Cape Winelands DM, the Lower Berg River Irrigation Board, and the Department of Environmental Affairs (Working for Water NRM Programme). The project still focuses on the removal of alien vegetation (terrestrial as well as aquatic) within the area.

The WCDM has again provided funding within the 2017/18 Financial Year, through the EPWP Environmental Sector Programme to appoint local EPWP teams which are assisting with the implementation of the WCDM Coastal Management Plan and functions as per the ICM Act. The following EPWP Coastal Management projects are currently running (with the amount of beneficiaries in brackets): Elands Bay (5) and Papendorp (5) and new EPWP appointments in terms of Alien Clearing (10) will start on the 1st of August 2017 to support the existing WfW projects.

Various presentations regarding coastal management and alien clearing programmes are undertaken at the West Coast Municipal Coastal Committee (MCC), the Provincial Coastal Committee (PCC) as well as Estuary Advisory Forums and Implementing Agent forums of WfW. Operational funding The EPWP Grand Agreement is in place but the policy still needs to be signed and is still outstanding.

Funding from the Department Public Works (EPWP) as well as the Working for Water NRM Programme were received and will be utilized ASAP to appoint additional beneficiaries to the project, which will include, protective clothing, equipment, transport, salaries and relevant training in the form of first aid, health and safety, and chain saw operation courses.

WfW PROJECTS - ALIEN VEGETATION REMOVAL

An extension of the current Working for Water agreement was entered into between Department Environmental Affairs (NRM Programme) and the WCDM being the Implementing



Agent (IA) which started the 1st of October 2014, which will come to an end the 31 of March 2018. Working for Water participants had their inductions done by WfW officials from the Department Environmental Affairs and the participants are currently being trained as part of the program for health and safety, first aid, chain saw, herbicide application and water safety as required in terms of the program.

The following WfW Alien Clearing projects are currently running (with the amount of beneficiaries in brackets): Moorreesburg (11), Bergrivier (11) and new appointments in Hopefield (11) will start on the 1st of August 2017.

The following WfW Alien Clearing projects are currently running (with the amount of beneficiaries in brackets):

Moorreesburg (11), Bergrivier (11) and Hopefield (11) will start the 1st of August 2017. A total amount of R 870 164.00 will be transferred to the WCDM as a grand to be used till 31 March 2018 to further the implementation of the WfW program for 2017/18 as stipulated in the approved agreement (extension) between WfW and WCDM.





EPWP & WfW participants performing various functions and activities for the WCDM within the West Coast Region.

ENVIRONMENTAL COMPLAINTS, INSPECTIONS AND FOLLOW UPS

The Environmental Integrity Section of the WCDM has completed the relevant EMI training and has been appointed since the 11th of August 2016. Various environmental complaints and administrative issues were received and followed up with assistance from various Provincial and National Departments and role-players, such as DEA, DEADP, DAFF and DWS regarding pollution, emergency incidents, illegal and unauthorized activities within the West Coast District Municipality, which have a negative environmental impact on the natural environment and biodiversity in terms of NEMA, EIA Regs and ICMA legislation.

The WCDM assisting DEADP on their request with Environmental Compliance inspections and site visits to address environmental issues related to dairies and environmental pollution within the West Coast region during as well as investigating water pollution incidents within the area.

• **Table 3.9.1: Employees: Environmental Integrity**

Job level	2015/2016	2016/2017			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0-3					
4-6					
7-9					
10-12					
13-15	1	1	1	0	0
16-18					
19-20					
Total	1	1	1	0	
T3.8.1					



• Table 3.9.2: Financial Performance EPWP

Financial Performance: EPWP					
Details	2015/2016	2016/2017			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	994 329	1 036 000	1 036 000	973 339	6.05%
Expenditure:					
Employees	933 321	-	-	644 643	-
Repairs and maintenance	885	-	-	7 876	-
Other	26 228	1 036 000	1 036 000	299 208	71.12%
Total Operating Expenditure	960 434	1 036 000	1 036 000	951 726	8.13%
Net Operating Expenditure					
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.					T3.9.2



COMPONENT F: HEALTH

3.10 HEALTH INSPECTIONS, FOOD LICENSING AND FOOD INSPECTIONS

Environmental Health

To be aware of the constitutional right of every person to an environment that is not harmful to his or her health or wellbeing, and the principles that underlie the National Health Act, 2003 (Act 61 of 2003) as well as the National Environmental Management Act, 1998 (Act 107 of 1998), the WCDM, through an environmental health thrust, aims to protect and promote the health and wellbeing of all our residents in the West Coast District by providing, in conjunction with applicable laws, "a sustainable, effective and responsible environmental health service."

The Constitution notes the issue of MHS under Schedule 4B, and Section 156(1), as a local government function. Municipal Health Service is a term that evolved in SA to define the package of '**health services**' to be rendered by local government. Therefore, MHS is subsequently defined in the National Health Act, 2003 (Act 61 of 2003) as a component of '**health services**', whilst it covers most aspects of environmental health services

Section 24 of the Constitution of South Africa, 1996 (Act 108 of 1996) states that everyone has the right:

- (a) to an environment that is not harmful to their health or well-being; and
- (b) to have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that—
 - (i) prevent pollution and ecological degradation;
 - (ii) promote conservation; and
 - (iii) secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.

The health continuum covers the entire spectrum of health care services, from health promotion till the curative care components, such as socio-medical care.

Environmental health services in particular covers the preventative component which covers both health promotion and disease prevention. Although health policies such as the Re-engineering of Primary Health Care and the National Health Insurance mainly recognise the role of the Environmental Health Practitioner (EHP) as part of 'Clinic Outreach Teams', it nullifies the role and impact of the EHPs in preventing ill health at the source of the origin of pollution, epidemiological outbreaks and so forth, where their interventions are focused, amongst others, at basic municipal services, such as ensuring safe and sufficient water, sanitation and food provision and so forth. One cannot continue educating communities and treat them, whilst no or very little effort is put into addressing the risks in the communities. Sending them back or allowing communities to live in filthy conditions.

Environmental health"means a condition of optimal wholesomeness of the environment in which man exists and interacts with through the lowest possible presence therein or total absence of any stimuli detrimental to human health". The environmental health responsibility is, therefore, the identification, evaluation, control and prevention of those factors that can be detrimental to people's health and wellbeing.



In terms of Section 1 of the National Health Act, 2003, Act 61 of 2003, Municipal Health Services (Environmental Health services) were declared to be:

1. **WATER QUALITY MONITORING**

Definition:

Monitoring and surveillance of water quality and availability that is intended for human consumption, recreational and industrial use

This function includes the following:

- Monitoring of water reticulation systems in terms of health related issues
- Monitoring of quality and availability of water intended for human consumption, recreation or industrial use
- Regular taking and analysis of water samples
- Identify and control sources of water pollution
- Protection of water sources and resources by enforcement of laws and regulations relating to water quality
- Ensure water supply that is safe for human consumption and complies with the **Water Services Act, 1997 (Act No. 108 of 1997) and SANS Code 241**
- Implementation of health and hygiene awareness actions and education relating to water quality, water supply and sanitation
- This function excludes water supply and purification

2. **FOOD CONTROL**

Definition:

Food Control is described by the World Health Organization (WHO) as a mandatory regulatory activity of enforcement by National or Local Authorities to provide consumer protection and ensure that all foods during production, handling, storage, processing and distribution are safe, wholesome and fit for human consumption; conform to quality and safety requirements and are honestly and accurately labelled as prescribed by law

The function ensures consumer protection through the following actions:

- Food inspection at point of production, storage, distribution and consumption
- Regulate food premises regarding hygiene and the prevention of nuisances through regular inspections and the enforcement of the **Regulations governing General Hygiene requirements for Food Premises and the Transport of Food**
- Regulate milking sheds by issuing Certificates of Acceptability for Milking Sheds in terms of **Regulations Relating to Milking Sheds and the Transport of Milk**
- Regulate the informal food industry by means of R 962 and the **Foodstuffs, Cosmetics and Disinfectants Act, 1972 (Act 54 of 1972)**
- Control of food premises by issuing Certificates of Acceptability for Food Premises in terms of **Regulation 962**
- Ensure that food is safe and healthy for human consumption through enforcement of the **Foodstuffs, Cosmetics and Disinfectants Act, 1972 (Act 54 of 1972)**
- The detention, seizure, condemnation and sampling of foodstuffs in terms of **Regulations relating to Inspections and Investigations under Government Notice R 328**
- Monitor labelling of foodstuffs as prescribed by the **Foodstuffs, Cosmetics and Disinfectants Act, 1972 (Act 54 of 1972)**
- Providing education and training on food safety to the food industry
- Provincial government is responsible for the issuing of Export Certificates on request of Industries



- Meat Hygiene: The Department of Agriculture is responsible for regulating Abattoirs as prescribed by the **Abattoir Hygiene Act , 1992(Act 121 of 1992)** and **Meat Safety Act, 2000 (Act 40 of 2000)**

3. **WASTE MANAGEMENT**

Definition:

Monitoring of waste management systems, refuse, health care waste, hazardous waste and sewage

The function refers to:

- The monitoring of waste management systems, including health care waste (**SANS 10248: 2004**), hazardous waste, sewage and waste water
- Monitoring for the occurrence of health nuisances during the storage, treatment, collection, handling and disposal of the various categories of waste
- Taking samples of any waste product and the analysis thereof in order to determine possible health risks
- The identification of needs and motivation for the promotion of sanitation
- The enforcement of municipal Bylaws and **The National Health Act, 2003 (Act 61 of 2003)** where health nuisances arise as a result of waste.
- Excludes the operation of a waste management system as rendered by B-municipalities
- Educating communities within the Cape Winelands on issues of waste management and pollution control

4. **HEALTH SURVEILLANCE OF PREMISES**

The identification, monitoring and evaluation of health risks, nuisances and hazards and instituting remedial and preventative measures

The function includes:

- The identification, monitoring and evaluation of health risks, nuisances and hazards
- Taking action in terms of the **The National Health Act, 2003 (Act 61 of 2003)** to ensure that corrective and preventative measures are implemented
- Provide inputs towards environmental impact assessments on health related issues
- The prevention or reduction of any condition on any premises that may be hazardous to the health or welfare of people
- Law enforcement
- **Educating communities** of the West Coast on communicable diseases

5. **SURVEILLANCE & PREVENTION OF CONTAGIOUS DISEASES, EXCLUDING IMMUNISATION**

Definition:

The identification, monitoring and prevention of any disease, which can be communicated directly or indirectly from any animal or through any agent to any person or from any person suffering there from or who is a carrier to any other person



The function entails:

- The identification, investigation and monitoring of outbreaks of listed notifiable medical conditions. The introduction of the required corrective and preventative measures
- Deployment of the required response teams in respect of municipal health
- The promotion of health and hygiene aimed at preventing the incidence of environmental conditions that could result in contagious diseases
- The drafting of contingency plans for certain diseases and giving inputs and participating in disaster management plans.
- The collection, analysis and dissemination of epidemiological data and information

6. VECTOR CONTROL

A vector is any organism (insects or rodents) that can transmit a disease from one to another

Definition:

Monitoring, identification, evaluation and prevention of vectors

This function refers to:

- The elimination or correction of conditions promoting the habits and breeding habits of vectors
- Developing awareness in communities of zoonotic diseases by means of vectors and the control thereof through education and training

7. ENVIRONMENTAL POLLUTION CONTROL

Definition:

The identification, evaluation, monitoring and prevention of land, soil, noise, water and air pollution

The National Health Act, 2003 (Act 61 of 2003) refers to pollution as per definition in section 1 of the National Environmental Management Act, 1998 (Act No. 107 of 1998) which defines pollution as;

any change in the environment caused by –

- (i) substances;
- (ii) radioactive or other waves; or
- (iii) noise, odours, dust or heat

emitted from any activity, including the storage or treatment of waste or substances, construction and the provision of services, whether engaged in by any person or an organ of state, where the change has an adverse effect on human health or well-being or on the composition, resilience and productivity of natural or managed ecosystems, or on materials useful to people, or will have such an effect in the future;



The function relates to:

- The identification, evaluation, monitoring and prevention of the pollution of:
 - Soil
 - Water
 - Air
- in as far as it relates to health
- The promotion of living areas safe for your health
- Identification of pollution agents and sources
- Providing health related inputs regarding new developments
- Evaluate and give input regarding environmental impact studies
- Educate and train communities regarding environmental pollution

8. SAFE HANDLING OF CHEMICAL SUBSTANCES

Definition:

The monitoring, identification, evaluation and prevention of risks relating to chemicals hazardous to humans (e.g. storing and using agricultural substances)

The function refers to:

- The education and training of high-risk groups and communities in the safe use and handling of chemicals
- Provincial government is responsible for the licensing of premises trading in Group 1 Hazardous substances
- Investigation of pesticide poisoning cases

9. DISPOSAL OF THE DEAD:

- Ensure the proper and humane burial of pauper and unclaimed corpses
- Ensure the proper disposal of the dead during diseases
- Monitor the process during exhumations and reburial of corpses to ensure proper and hygiene procedures and disinfection of the environment and equipment
- Routinely inspect places of burial to prevent nuisances'
- Advise funeral parlors regarding the planning, layout and hygiene standards of premises to ensure that Funeral Parlours comply with the Regulations Relating to Funeral Undertakers Premises (G.N. R363/2013)
- Certification of Funeral Undertakers Premises in terms of GN R363 of 2013
- To prevent nuisances and to see the proper and humane handling of corpses

Although these are pursued very effectively, there are a few pertinent issues that need to be addressed.

Vacant Posts

To ensure that the above functions are carried out to the maximum, all environmental health vacant posts must be filled, to improve operations and productivity.



Legislation

To ensure the optimal use of environmental health practitioners to reach our goal of an environment that is not harmful to the health and wellbeing of all the people in the West Coast, the following legislation/documents must still be promulgated:

The newly promulgated National Norms and Standards for Environmental Health (24/12/2015) stipulates that Municipalities must provide operational staffing in line with the National norm of 1:10 000

Environmental Health Practitioners per population.

- Approval of admission-of-guilt fines by the Magistrates Courts in the West Coast area of jurisdiction
- Revise Councils by-laws and regulations
- Revise Air Quality Management By-laws
- Memorandum of Understanding between WCDM and the five B Municipalities in our area (air pollution)

The above will definitely contribute to a more efficient service and quality of health.

Table 3.10.1: Employees: Environmental Health –Health Inspection

Job level	2015/2016	2016/2017			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0–3	4	4	4	0	0
4–6	0	0	0	0	0
7–9	1	1	1	0	0
10–12	23	23	23	0	0
13–15	6	6	6	0	0
16–18	1	1	1	0	0
19–20	0	0	0	0	0
Total	36	36	36	0	0
T3.10.1					



Table 3.10.2: Financial performance: Environmental Health (R'000)

Financial Performance: Environmental Health					
Details	2015/2016	2016/2017			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	7 204 199	7 831 280	8 009 873	8 152 356	(1.78%)
Expenditure:					
Employees	16 087 055	17 778 890	17 778 890	18 336 417	(3.14%)
Repairs and maintenance	17 269	185 500	185 500	13 972	92.47%
Other	1 417 490	1 671 190	1 849 783	2 415 853	(30.60%)
Total Operating Expenditure	17 520 814	19 635 580	19 814 173	20 766 242	(4.80%)
Net Operating Expenditure					
<p><i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.</i></p>					
					T3.10.2

Table 3.10.3: Capital expenditure: Environmental Health – Health Inspection (R'000)

Capital projects	2015/2016		2016/2017		
	Budget	Adjustment budget	Actual expenditure	Adjustment budget	Variance from Budget
Projects	20 000	20 000	25 483	28 100	9.31%
					T3.10.3



COMPONENT G: SECURITY AND SAFETY

3.11 FIRE SERVICES

3.11.1 INTRODUCTION

The West Coast District Municipality Fire and Rescue Services can report that the 2016/2017 year was a fairly quiet year for the Service. In relation to what was experienced in the other Districts, City of Cape Town and the recent fires experienced in Knysna and Plettenberg Bay this Service can report that minimal damages occurred during the fires that was experienced this summer season. Although in total 74 000 hectares were burned it occurred in areas where the fynbos and veld was very old and therefore had to burn. Most of these fires could be managed and was fire fighting only employed in order to protect structures.

The West Coast District Municipality are currently experiencing a very severe drought and the impact of climate change in the area can also be seen. The period in which we are experiencing major veld and mountain fires are steadily increasing. Fires are occurring much sooner and the season has extended well into the Month of June this year.

This year was also the third year of the fire service contract between West Coast District Municipality and Saldanha Bay Municipality. Saldanha Bay Municipality however decided not to renew the contract and did the contract officially ended on 30 June 2017. They will now render their own service within their Municipal area.

3.11.2 OPERATIONAL MATTERS

Operations

The Fire and Rescue Services of the West Coast District Municipality are still the only professional full – time fire and rescue service within the boundaries of the West Coast District Municipality. This service attended to 1 736 incidences throughout the whole of the District. This is 40 incidences more than what was attended to in 2015/2016. Most of the incidences attended to were B – Municipality responsibilities. On average 88% of the incidences this Department attended to was for B- Municipal Responsibilities.

For the functions as assigned to the District Municipality, six major fires was experienced during the summer season of which the area burned exceeded 500 hectares. Three of the biggest fires burned more than 15 000 hectares of which the largest fire burned a total of 28 500 hectares. Aerial assistance was again used as a source of initial attack in order to bring fires under control within the first hour after a fire has started. Initial attack was activated seventeen (17) times during the season of which fifteen (15) activations was successful. The initial attack program is done in collaboration with the Western Cape Provincial Department: Disaster Management and Fire Services, whereby Province funds the first hour of flying. If a District decides to extent the Aerial Fire Fighting it will be for their own account. During the 2016/2017 season West Coast District Municipality had spend R 800 000, 00 on aerial firefighting and additional ground crews. Landowners through their insurance companies had also spent in excess of R900 000 on aerial firefighting – this initiative is driven by the Greater Cederberg FPA where their members have the opportunity to sign MoU before the fire season – when these resources are needed they can be dispatched immediately as all the admin and protocols are in place before the incident. A base for the aircraft are situated at the Porterville Airfield.



In addition to this airfield there are also another seven (7) air strips throughout the District. This allows for the turn around time of the bombers to be kept between seven (7) and ten (10) minutes in order to be effective and efficient. The GCFPA and Kishugu aviation obtain two additional aqua dams (R20 000/dam), for the Porterville and Diepkuil (Aurora) airstrips, this had improved water capacity with 30 000l per airstrip.

The Fire Service of the West Coast District Municipality was again asked this year to assist our neighbouring Municipalities when faced with numerous fires. This Service assisted the Cape Winelands District Municipality on two (2) occasions during major fires and also assisted the Knysna Municipality during the disastrous fire they experienced in June 2017. West Coast District Fire Services send a 22 man squad with six (6) vehicles to assist with the fires at Knysna Municipality. Some of our members and vehicles also assisted in nearby Plettenberg Bay. The Chief Fire Officer was part of the Incident Command Team that managed the fires in Knysna and Plettenberg Bay. His role and function was that of Operations Section Chief.

Fire Prevention

Apart from the operational activities the West Coast District Municipality also attended to 830 fire safety inspections throughout the whole of the District. This is not a function of the District Municipality, but due to the lack of capacity within the Local Municipalities the District Municipality currently performs these functions.

Training

Apart from the training received at external training colleges and service providers as indicated in the table below, internal refresher training are also done on all the Fire Stations with the personnel. A total of 254 theoretical sessions and 171 practical sessions were conducted at the Fire Stations amounting to 2 710 man-hours.

Table 3.11.1: Employees: Fire Services

Training	
Training / Course	Number of staff of West Coast District Municipality
Logistics Section Chief	2
Hazmat Awareness	11
Fire Weather Course	1
Fire Fighter 1	3
MFMP	4
4 X 4 Driving Skills	9
Hazmat Operational	8



Chainsaw Operator Course	68
Planning Section Chief	2
Operations Section Chief	1
Incident Commander Type 3	2
Division Group Supervisor	3
Fire Prevention Training	11

Public Training

The staff of West Coast District Municipality were also involved in numerous public training initiatives throughout the whole of the West Coast District Municipal area. This training involved 90 sessions amounting to 563 man-hours spend conducting this training. During these sessions a total of 2 317 adults and 4 215 children were reached.

Partnerships

Greater Cederberg Fire Protection Association

The West Coast District Municipality is a member of the Greater Cederberg Fire Protection Association. This is the only registered FPA within the boundaries of the District. The Chief Fire Officer of West Coast District Municipality is the Chairperson as well as the Fire Protection Officer of this FPA. The GCFPA currently has 830 members and the area covered by the FPA is 2 465 409 Ha. Currently the FPA has two bases in the area. One base in Vredenburg and one base in Porterville. The teams based at these two Bases assisted the Fire Service on numerous fires during the summer season and can it be reported that they are very efficient and of a very high standard.

The GCFPA in collaboration with the West Coast District Municipality Fire and Rescue Services were involved in various risk reduction activities. These activities included 650 Ha of prescribed burns, 5 Ha of alien invasive plant clearing and 11 Ha of stack burning. The FPA also concluded the making of 36 Ha of fire breaks.

As the West Coast District Municipality does not contribute financially to the FPA it does however support the FPA through initiatives such as the issuing of burning permits for free to paid up FPA members.

The FDI are distributed to all FPA members on a daily basis and this in combination with awareness materials and media articles have increase awareness and could possibly be one of the key contributing reasons why we had a quite fire season.

Cape Nature

The West Coast District Municipality also have a signed MOU with Cape Nature, where the parties agree to assist one another during major bush and mountain fires.



Successes

The biggest success this year for the Fire Service of the West Coast District Municipality is the fact that all fires during the summer season were brought under control and extinguished in very quick time and with minimal losses occurred by landowners. The Chief Fire Officer also attended the Congress of Agri - Western Cape where he was given the opportunity to address the Congress. One point of interest that was addressed was the revision of the current fire permit rule being applied. With climate change and changing weather patterns it has become a point of concern, especially for the wheat farmers. It was decided that the revision will be done in collaboration with Agri Western Cape in order to find a suitable and workable solution.

Table 3.11.2: Employees: Fire Services

Job level	2015/2016	2016/2017			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0-3	0	0	0	0	0%
4-6	0	21	16	5	24%
7-9	48	53	50	3	2%
10-12	12	12	12	0	0%
13-15	0	0	0	0	0%
16-18	1	1	1	0	0%
19-20	0	0	0	0	0%
Total	61	87	79	8	9%
T3.11.2					



Table 3.11.3: Fire Services data

	Details	2014/2015	2015/2016	2016/2017
		Actual number	Actual number	Actual number
1	Total of fires attended to in the year	1 120	944	915
2	Total of other incidents attended to	745	752	821
3	Average turnout time	02 min 19 sec	02 min 18 sec	02 min 18 sec
5	Fire fighters in post at year-end	57	61	66
6	Total fire appliances at year-end	28	31	35
7	Average number of fire appliances off-run during the year	2	2	1

Table 3.11.4: Financial performance: Fire Services (R'000)

Financial Performance: Fire Services					
Details	2015/2016	2016/2017			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	7 359 017	7 172 000	7 172 000	8 621 794	20.21%
Expenditure:					
Employees	20 044 254	20 949 080	20 949 080	24 654 449	(17.69%)
Repairs and maintenance	1 493 494	1 893 000	1 893 000	1 450 123	23.40%
Other	7 051 908	7 876 460	7 876 460	8 057 575	2.30%
Total Operating Expenditure	28 950 656	30 718 540	30 718 540	34 162 147	(11.21%)
Net Operating Expenditure					
T3.11.4					



Table 3.11.4: Financial performance: Fire Services: Saldanha (R'000)

Financial Performance: Fire Services Saldanha					
Details	2015/2016	2016/2017			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	3 488 845	4 992 000	4 992 000	3 990 870	20.05%
Expenditure:					
Employees	2 973 028	4 232 900	4 232 900	3 237 584	23.51%
Repairs and maintenance	111 710	319 100	319 100	150 265	52.91%
Other	404 107	440 000	440 000	603 022	(37.05%)
Total Operating Expenditure	3 488 845	4 992 000	4 992 000	3 990 870	20.05%
Net Operating Expenditure					
<p><i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.</i></p>					
					T3.11.4

Table 3.11.4: Capital expenditure: Public Safety

Capital projects	2015/2016		2016/2017		
	Budget	Adjustment budget	Actual expenditure	Adjustment budget	Variance from budget
Projects	2 261 000	2 261 000	2 661 798	2 894 880	8.05%
					T3.11.4



3.12 DISASTER MANAGEMENT

3.12.1 INTRODUCTION

The Disaster Management Centre is operating in accordance with the Disaster Management Act and strives to co-ordinate all role-players with the emphasis on the prevention of disasters. The call taking and dispatch of all emergencies is done from the Centre as this is achieved in collaboration with Department of Health (EMS).

3.12.2 INSTITUTIONAL CAPACITY

3.12.2.1 Maintenance: of the buildings and gardens:

The maintenance of the buildings, the gardens as well as all equipment is done within the allocated budget.

3.12.2.2 Staff:

The staff at the Centre consists of:

- Head of Disaster Management
- General Assistant (Cleaner)

3.12.2.3 Building capacity within the district and local municipalities:

In order to build capacity and understand risk better, the following meetings were attended:

Meeting	J	A	S	O	N	D	J	F	M	A	M	J
Cape Wineland Disaster Management Advisory Forum	-	-	-	-	X							
Consolidated Retirement Fund	-	-	-	-	X							
Department of Agriculture	x	-	-	-								
Department of Co-operative Government (Provincial Disaster Management Centre) Head of Centre meeting	-	X	Visit From National	Visit From Province	X	Summit	Visit from Province	X			X	
Department of Co-operative Government • Provincial Disaster Advisory Forum (all provincial departments are represented at this forum)	-	X	-		X			X			X	
Department of Defence	-	-	-	-	-	-	-	-	X			
Department of Education	-	-	-	-	-	X				X		
Department of Environmental Affairs	-	-	-	X							X	



Department of Environmental Affairs (South African Weather Services)											X	
Department of Health (EMS – Communication)	-	X	X	-	X			X				
Department of Transport (RIMS meeting – twice per year)	-	-	X	-	-	-	-	-	X	-	-	-
Department of Transport (SASAR meetings)	-	-	-	-	-	-	-	X				
Director: Administration & Community Services	x	X	X	X	X			X				
Dimension Data	-	-	-	-	-	X	X	X				
EPC (Koeberg), Chaired by the Department of Energy	-		-					X				
	J	A	S	O	N	D	J	F	M	A	M	J
EPSOC (Koeberg), Chaired by the City of Cape Town	-		X		X							
Extended Management Meeting with Municipal Manager	-	X	Strategic session					X	MGR O		LGM Tech X Standing Committee (Parliament)	
IDP	-	-	-	-	-	-	-	-	X		X	
KPI meeting with Municipal Manager	X	-	-			-	X	X		X		
Local Municipalities						X	X	X	X		X	
Portfolio meeting with Councillors	X	X	X	X					X	X	X	
Provincial Drought Task Team	-	-	-	X			X	X	X			
Rapid Deploy	-	-	-	-	-	-	-	X				
Road Incident Management meeting (Two per year)	-	-	-									
South African Police Services	-	-	-	-	-	-	-	-	X			
West Coast District Bid and Evaluation Committee	X	-	-									
West Coast District Disaster Advisory Meeting	x	-	-							X		
West Coast District Fire Co-ordinating meeting	-	-	X	X				X				
West Coast District IT section	-	X	-									



West Coast District – Municipal Manager (KPI monitoring)	-	-	-	X								
West Coast District – Municipal Manager (for TASK)	-	X	-									
West Coast District Bid Specification and Evaluation Committee (as secondi)	-	-	X	X	X		X		X			

3.12.2.4 Comments on various documents have been given as well throughout the year.

- Co-operative Governance Agreement with Department of Energy 2015 (update for EPSOC – Koeberg)
- Drought plan for Saldanha Bay Municipality
- Lions Alert programme for the West Coast and South African
- Matzikama Risk Assessment
- Matzikama Disaster Management Plan
- National Oil Spill Pollution plan
- Provincial Annual Report
- Provincial nuclear plan
- Terms of reference for EPC (update)

3.12.3 Risk Assessments:

The Centre assisted in the Disaster Risk Assessment for Saldanha Bay and Matzikama Municipalities. Saldanha's document was concluded by July 2016 and Matzikama started in September and was concluded in April 2017. These risk assessments are useful tools to determine which risks are present in the municipality. It also indicates the rating of the risk in relation to other risks. This can assist the municipalities to prioritize their risks and to budget accordingly.

In summary the risk assessments for the various municipality look like this:

- Bergrivier (2015)
- Cederberg (October 2015)
- Matzikama (2017)
- Saldanha Bay (June 2016)
- Swartland (will be done 2017/18)
- West Coast (2013)



3.12.4 Risk reduction:

The primary focus of disaster management is prevention. Various risk reduction programmes are run by line departments within the West Coast District Municipality, the 5 local municipalities as well as the Provincial Departments and the National Departments

3.12.5 Response

Despite the risk assessments being done, there are factors beyond the control and as a result incidents still take place. These are an alphabetical list of the different risks that were experienced during July 2016 –June 2017.

Animal diseases (Blue tongue): was reported in Vredendal in May.

Animal diseases (Rabies): was reported in Piketberg area in March & May. It was also reported in Malmesbury during May and in Vredenburg during May 2017.

Animal disease (Salmonella enteritidis): was reported in three chickens in Malmesbury during May.

Blastings for roadworks takes place on a weekly basis. Notifications are sent out to warn the municipalities but the impact is very small.

Bulshoek dam canal failure took place on 17 January 2017. Water flow was restored by 21 January 2017 and all repairs were done by 2 February 2017 by LORWUA.

Cape Crayfish Walk out: from 7-8 December 2016 and again on 26-27 December 2016, 2-4 January 2017 in Elands Bay. All role players were activated according to the Cape Crayfish Response plan and Cederberg Municipality took a leading role. Mostly red bamboo that was washing out. Also see report from the Environmental Health.

Coastal erosion: Municipalities should address this in their development plans to not allow development in these areas.

Drought:

During the previous year the district was already declared a disaster area due to the Agricultural drought. Below average winter rain has not restored the dam levels to sufficient capacity. All the municipalities continue with water restrictions. Most municipalities are at 20% water restriction with very strict added measures of no watering of gardens, or washing of cars etc. The farming community to the north was hit the hardest and are still struggling with livestock mortalities. Vegetation activities were low. Reports of businesses that had to close down were also received.

Department of Agriculture made some funding available by prioritizing their own provincial budget to assist with emergency fodder. Support was also given to small holder grain farmers and their agri workers with socio economic support. By December 2016 it was clear that below normal rain was received. The mean maximum and minimum temperatures were above normal, resulting in poor veld. On 26 May 2017 a provincial wide disaster has been declared. Weekly feedback is given by the municipalities on the water levels of the storage dam.

During June 2017 Swartland Municipality as well as Saldanha Bay Municipality have declared a local disaster. Both these declarations were supported by the West Coast District Municipality.

Challenges 1: to find enough funding to look at alternative water harvesting methods. Bore holes are depleting the current underwater source.



Challenge 2: The current drought shows that the Voelvlei dam cannot supply enough water. The measures put in place, e.g. raising the dam wall, should be fast tracked.

Challenge 3: Clanwilliam dam. The construction to raise the wall has not started yet.

Challenge 4: Current desalination projects (Lamberts Bay & Saldanha Bay) were put on halt due to funding shortage.

Challenge 5: Funding for the local municipalities to start the projects they have identified to combat drought as part of their prevention measures in the various Water Infrastructure plans.

Challenge 5: One staff member is needed in the Centre to co-ordinate this disaster.

Early warnings:

All the local municipalities are now on the sms systems of the South African Weather Services for early weather warnings. The impact Based Severe weather Warning System for South African is also now in a pilot phase and the west coast is part of that.

Ebola: from 18 April 2017 all ports of entry are checked in South Africa due to the outbreak in other areas in Africa.

Elections: no incidents were reported.

Events: a successful workshop was held during May to discuss the Safety at Sports and Recreational Events Regulations that were published in the Government Gazette of 3 March 2017.

Hazmat on the roads:

Various incidents still happen. See the annual report of the Fire Brigade Services as well as the report of the Environmental Integrity section.

Challenge: these incidents are not managed and follow up according to section 30 of NEMA. Either the provincial department should build capacity or the function and funding should be transferred. As a result, there is still sites that has not been cleaned and restored.

Heat waves: the average temperature of the area is increasing. Above normal minimum temperatures were experienced. More warnings for heat waves were received this year.

Challenge: to adapt to a warmer, drier climate in the area, to address that in the drought planning.

Human disease (measles): cases were reported by Department of Health.

Human disease (Influenza): cases were reported by Department of Health. The outbreak in other world areas of bird flu were more than the same time last year.

Koeberg: Vaalputs Roadshow took place 29 Augustus -2 September on the N7.

Oil spills: August – 1 spill in Saldanha Bay harbour. Also see the report of the Environmental Integrity section.

Road incidents: see statistics from the Fire Brigade Services

Challenges: the visible policing of the provincial traffic is needed. Due to staff shortages, priority goes to escorting wind turbine trucks.

Social Conflict: isolated incidents were recorded in Clanwilliam, but the Cederberg Municipality activated their Social Conflict plan to resolve the issue.

12 June 2017 = 12 structures involved, 1 person died. 1 person was admitted to hospital

Challenges: Cederberg Municipality identified the need for a full time Sesotho translator that available for the district.



Structural fires: 17 informal structures were affected in March 2017. 85 people were affected. There was one casualty. Cederberg Municipality activated their response plan to rendered humanitarian assistance to all the victims.

Challenges: Cederberg should be allocated funding to build a fire station in Citrusdal.

Storm surges: were experience around the moon phases. Especially strong winds cause most damages.

During the 7-8 June various structures were damaged in most of the towns. The municipalities and the Fire Brigade Services assisted those that were affected.

Summer readiness: planning was done during October 2016. No serious incidents were reported.

Veld fire: 18-22 December 2016 a veld fire affected the households of 23 families in the Eselsbank, Bo-Martiensrus & Lankloof areas close to Wuppertal (Clanwilliam). Various damages were reported at the time. Most of these have been restored by the Cederberg Municipality.

Challenge: the distances between fire stations are still very big. This should be addressed by building more fire stations.

Challenge: on top of the far distances, the roads to those areas are very poor and the communications to the outside world is hampered as there is no cell phone reception.

Water incidences (as reported by NSRI):

Langebaan, February, no casualties.

Lamberts Bay, 20 April, no casualties

Winter readiness: the plan was updated during March in collaboration with all the local municipalities.

Disaster Management Plans:

- West Coast: is available on the www.westcoastdm.co.za
- Disaster Management Plan Matzikama was updated April 2017
- Bergrivier Drought plan was updated 2017
-

3.12.6 COMMUNICATION:

All emergency calls are logged onto the CaremonX system that is used by all the EMS stations in the Western Cape. The Call Centre is manned 24/7 by call takers that work in shifts. All of these call takers are trained at the level of Basic Ambulance Assistant. The Centre gets on average 15 000 calls per month.

Daily communication from the Centre takes place during meetings, via telephone, e-mail, social media (Facebook), radio and printed media which includes the monthly newspaper of the Municipality. See also the report of the Public Relations Section.



3.12.7 EDUCATION, TRAINING, PUBLIC AWARENESS AND RESEARCH.

- Education:
 - Assisted grade 3 learners to prepare a project on disasters
 - 60 Children from Germany visited the Centre as part of the group from Social Development
 - 38 Second year students from the Stenden University (Port Alfred) visited the Centre
- Awareness:
 - the emergency number is published continuously on pamphlets.
 - In the South Africa's Cape West Coast Travel Mosaic – 2016 www.capewestcoast.org.
 - Water saving by all local municipalities (pamphlets, radio, media, water bills)

See also other awareness that has been done by various other departments.

Table 3.12.1: Financial performance: Disaster Management (R'000)

Financial Performance: Disaster Management					
Details	2015/2016	2016/2017			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	-	-	-	151 863	-
Expenditure:					
Employees	706 599	1 811 090	1 811 090	987 312	45.49%
Repairs and maintenance	25 264	111 600	111 600	65 909	40.94 %
Other	67 372	108 080	108 080	978 085	(804.96%)
Total Operating Expenditure	799 235	2 030 770	2 030 770	2 031 306	0.03%
Net Operating Expenditure					
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.</i>					T3.12.1



Table 3.12.2: Employees: Disaster Management

Job level	2015/2016	2016/2017			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0-3	1	1	1	0	0%
4-6					
7-9					
10-12					
13-15	1	1	1	0	0%
16-18					
19-20					
Total	2	2	2	0	0%
T3.11.2					



COMPONENT H: RECREATION

3.13 GANZEKRAAL HOLIDAY RESORT

INTRODUCTION

Ganzekraal Holiday Resort, with its conference facilities and chalets, was established within the Admiralty Reserve (narrow strips of State land that are situated along the coastline above the high water mark) 20 km north of Melkbosstrand.

The Ganzekraal Coastal Resort is just off the R27 along the Atlantic Ocean, with 28 sea-facing, fully equipped, 4–6 sleeper, self-catering chalets. It also has a tidal pool, slipway, conference facility/wedding venue, lapa, bar and restaurant.

The air-conditioned conference hall seats 80 delegates and is fully equipped with video and overhead projector, whiteboards and flip-charts, and has bar facilities. The self-catering restaurant overlooks the ocean, seats approximately 100 people and has its own bar and facilities, offering a carvery or menu option from a modern kitchen.

This report gives details of the resort performance and activities and is on condition of performance, occupation statistics, housekeeping, repairs and maintenance, administration, security, finance, administration and general.

Table 3.13.1 Employees: Ganzekraal Holiday Resort

Job level	2015/2016	2016/2017			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0–3	9	5	5	0	0
4–6	1	6	6	0	0
7–9	3	2	2	0	0
10–12	1	1	0	1	100%
13–15					
16–18					
19–20					
Total	14	14	13	1	7%



Table 3.13.2: Financial performance: Ganzekraal Holiday Resort (R'000)

Financial Performance: Ganzekraal Resort (Public Amenity)					
Details	2015/2016	2016/2017			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	3 035 663	3 304 220	3 304 220	3 654 806	(10.61%)
Expenditure:					
Employees	2 741 325	3 117 600	3 117 600	3 149 973	(1.04%)
Repairs and maintenance	334 438	447 490	447 490	250 748	43.97%
Other	1 258 777	1 221 480	1 221 480	1 218 052	(0.28%)
Total Operating Expenditure	4 334 540	4 786 570	4 786 570	4 816 773	(3.51%)
Net Operating Expenditure					
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual. Actual of R3 654 806 includes Gain on Employees benefits.</i>					
					T3.13.2

Repairs & Maintenance

All repairs and maintenance has been done by our handyman with the help of EPWP workers. Weekly inspections are also being done on a weekly basis by the handyman and the Resort Manager.

Housekeeping

Chalets

All chalets were filled with shortages for the December 2015 peak time. New fridges, a top loader washing machine, mini-ovens, sleeper couches and microwaves were bought during the course of the past financial year.

Terrain

The terrain is kept in very good and clean condition. Grass are being cut and trimmed regularly. Broken braai spots were repaired and rebuild before the December 2014 peak time. All dividing poles at the camp sites were painted before the December peak holidays.

Administration

All administration is up to standard and up to date. All bookings are handled by the bookings clerk and all income are the responsibility of the income clerk. All other administration are being done by the Resort manager.



Finance

All our income are being corresponded with our bookings on a weekly basis. Everything is kept on file record. Paperwork and banking are being checked on a weekly basis by the Resort Manager and on regular occasions by the financial managers of head office.

Security

Mafoko Security is still delivery good services and presents regular reports and site visits.

General

Although some more maintenance still needs to be done, Ganzekraal Resort is still operating good and is still very busy even during the winter time. We also had another successful December and Easter peak time for 2014/2015 period.

Occupation Statistics

OCCUPATION STATISTICS		
CLASS	2015/2016	2016/2017
Amanzi	45.45 %	47.53 %
Proteas	45.38 %	49.67 %
Mooimake	40.90 %	43.01 %
Facilities	13.90 %	14.56 %
Camping sites	23.24 %	19.45 %
Resort Avenue	29.57 %	24.85 %

Table 3.11.3: Capital expenditure: (R'000)

Capital projects	2016/2017				
	Budget	Adjustment budget	Actual expenditure	Variance from original budget	Total project value
Total all	116 000		115 545	455	115 545
<i>Total project value represents the estimated cost of the project on approval by Council (including past and future expenditure, as appropriate).</i>					T3.45



COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.14 EXECUTIVE AND COUNCIL

This component includes the executive office (mayor, councillors and municipal manager).

Table 3.14.1: Employees: Executive and Council

Job level	2015/2016	2016/2017			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0-3					
4-6					
7-9					
10-12					
13-15					
16-18					
19-20					
Executive Mayoral Committee	7	7	7	0	0
Councillors	17	17	17	0	0
Personal assistant	2	2	1	1	50%
Receptionist/clerk	1	1	0	1	100%
Total	27	27	25	2	0



Table 3.14.2: Financial performance: Executive and Council (R'000)

Financial Performance Executive and Council					
Details	2015/2016	2016/2017			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	321 010	-	-	170 218	-
Expenditure:					
Employees	6 152 615	6 947 360	6 947 360	5 632 860	18.92%
Repairs and maintenance	-	-	-	-	
Other	1 264 084	1 032 960	1 032 960	1 627 163	(57.52%)
Total Operating Expenditure	7 416 699	7 980 320	7 980 320	7 260 023	9.03%
Net Operating Expenditure					
<p><i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.</i></p>					
					T3.14.2

Table 3.3.7: Capital expenditure: Executive & Council/Mayor and Council

Capital projects	2015/2016		2016/2017		
	Budget	Adjustment budget	Actual expenditure	Adjustment budget	Variance from budget
Projects	-	-	8 320	10 000	16.80%
					T3.3.7



3.15 ADMINISTRATION

3.15.1 INTRODUCTION

The Administration Division manages the key performance areas of the West Coast District Municipality by providing an effective administrative service to core service delivery functions by designing, developing and aligning policies, implementing procedures, reviewing policies and procedures, and aligning document management systems to facilitate effective circulation, response, storage and retrieval. The division also manages and controls strict adherence to Council policy and relevant legislation.

MORE INFORMATION

More information regarding the activities of the Division Administration is available in:

- Chapter 2.9: Governance under By-laws
- Appendix A – Councillors, Committee Allocation and Council Attendance
- Appendix B – Committees and Committee Purposes
- Appendix D – Functions of Municipality/Entity
- Appendix J – Disclosure of Financial Interests: Councillors

3.15.2 COMPILATION OF THE ANNUAL REPORT AND OVERSIGHT REPORT

The Administration Division is responsible for the compilation of the annual report by drawing up timeframes for all tasks relating to the completion of the annual report, liaising with departmental heads, tabling the annual report to Council, distributing the annual report to the relevant government departments and carrying out the final phase of translating, editing and printing the final version. The division also manages both the process and drafting of the oversight report, in collaboration with the Oversight Committee, and tables the oversight report to Council.

3.15.3 SECRETARIAT

As the administrative arm of the Municipality, the Secretariat Division renders an administrative support service to Council and its political structures and ensures quality administrative service delivery by managing all standing committee and ad hoc committee meetings and ensuring effective coordination and prompt secretariat support.

The Secretariat Division is responsible for the following meetings:

Council meetings, special Council meetings, District Coordinating Forum (DCF) Technical Committee meetings, Water Monitoring meetings, Water Monitoring Technical Committee meetings, Oversight Committee meetings, Risk Management meetings, Portfolio Committees: Administration and Community Service, Finance and Technical Services meetings, and Bid Committee meetings: Specification and Evaluation, Bid Adjudication Committee and Audit Committee meetings.

COUNCILLOR SUPPORT

Attendance register for 2016/2017 financial year for the Standing Committee meetings of West Coast DM was submitted.



Legal Implication:

Code of Conduct for Councillors, Schedule 1 of the Local Government Municipal Systems Act 32 of 2000:

- Item 3: Attendance at meetings and;
- Item 4: Sanctions for non-attendance of meetings of the

Standing Operating Procedures:

- Application for leave of absence

Rules of Order By-law of the West Coast District Municipality

- Item 7: Attendance of Councillors;
- Item 8: Procedure for leave of absence
- Item 9: Sanctions for non-attendance

3.15.4 OFFICE SUPPORT SERVICES

3.15.4.1 RECORDS AND ARCHIVES

The Administration Division manages the implementation of procedures and systems associated with document flow, such as the archiving and keeping of records systems (in accordance with statutory prescriptions) and the establishment, evaluation and maintenance of registry procedures for the operating of the main registry office and suboffices and for regulating record keeping. The division also oversees compliance with statutory requirements regarding control over the maintenance and application of the filing system and records control schedule.

3.15.4.2 SWITCHBOARD AND RECEPTION

The switchboard and reception play an important public relations role at the head office of the West Coast District Municipality and are an integral part of the organisation. These activities entail liaison with the public and the promotion of the Batho Pele principles, as well as the delivery and promotion of service delivery to the public.

3.15.4.3 REPROGRAPHY

As a support to Council, an effective reprographic service is rendered to ensure the prompt making of photocopies for the administrative offices of Council.

3.15.4.4 CARETAKING AND CLEANING SERVICE

The Caretaking and Cleaning Service Section is responsible for controlled access to the buildings of West Coast District Municipality I and West Coast District Municipality II. All entrances of the buildings are secured by a controlled access mechanism during and after office hours. An effective cleaning and caretaking service is rendered to the administration buildings of the Municipality.



Record Creation History
01 July 2016 - 30 June 2017

2016	July	880
	August	816
	September	916
	October	1 317
	November	...791
	December	894
2017	January	891
	February	1 279
	March	1 400
	April	686
	May	1 723
	June	1 461
	Total	8,771

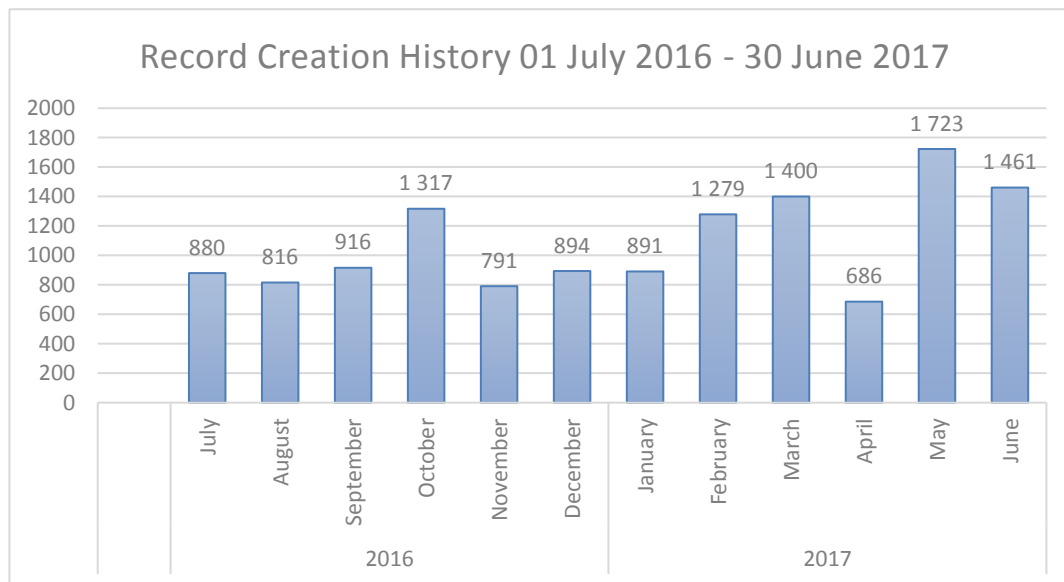


Table 3.15.1: Employees: Administration

Job level	2015/2016	2016 / 2017			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0-3	5	5	5	0	0
4-6	3	3	3	0	0
7-9	3	3	3	0	0
10-12	2	2	2	0	0
13-15	1	1	1	0	0
16-18					
19-20					
Total	14	14	14	0	0

Table 3.15.2: Financial performance: Administration (R'000)

Financial Performance Administration					
Details	2015/2016	2016/2017			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	10 044	5 250	5 250	436 108	(8206.82%)
Expenditure:					
Employees	3 810 168	3 641 330	3 641 330	4 227 697	(16.10%)
Repairs and maintenance	71 524	150 000	150 000	38 935	74.04%
Other	2 345 376	2 518 200	2 518 200	2 557 178	1.55%
Total Operating Expenditure	6 227 068	6 309 530	6 309 530	6 823 810	(8.15%)
Net Operating Expenditure					
T3.15.2					



3.16 FINANCIAL SERVICES

3.16.1 INTRODUCTION

Our main priority with reference to service delivery is water. Two of our main consumers are Saldanha Bay Municipality and Swartland Municipality. All the necessary measures are in place with regard to our Credit Policy.

Table 3.16.1: Debt recovery (R'000)

Details of the types of account raised and recovered	2013/2014		2014/2015			2015/2016		
	Actual for accounts billed in year	Proportion of accounts value billed that was collected in the year	Billed in year	Actual for accounts billed in year	Proportion of accounts value billed that was collected in the year	Billed in year	Actual for accounts billed in year	Estimated proportion of accounts value billed that was collected in the year
Property rates	823	95%				-	-	-
Electricity – C	316	92%				-	-	-
Water – C	66 217	92%	106 370	105 306	99%			
Sanitation	179	92%				-	-	-
Refuse	293	92%				-	-	-
Other	1 048	92%				-	-	-

C = consumption. See Chapter 6 for the Auditor-General's rating of the quality of the financial accounts and the systems behind them.

Table 3.16.2: Financial performance: Financial Services – Budget and Treasury Office (R'000)

Financial Performance: Finance					
Details	2015/2016	2016/2017			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	477 976	23 940	23 940	2 397 413	(11333.33%)
Expenditure:					
Employees	7 799 307	9 781 880	9 781 880	9 704 454	0.79%
Repairs and maintenance	85	18 000	18 000	2 501	86.11%
Other	2 025 063	1 580 830	1 580 830	3 714 677	134.98%
Total Operating Expenditure	9 824 455	11 380 710	11 380 710	13 421 632	17.93%
Net Operating Expenditure					

T3.16.2



Table 3.16.3: Accounts billed

Details of the types of account raised and recovered	2013/2014		2014/2015			2015/2016		
	Actual for accounts billed in year	Proportion of accounts value billed that was collected in the year	Billed in year	Actual for accounts billed in year	Proportion of accounts value billed that was collected in the year	Billed in year	Actual for accounts billed in year	Proportion of accounts value billed that was collected in the year
Property rates	823	95%				-	-	-
Electricity – B								
Electricity – C	316	92%				-	-	-
Water – B								
Water – C	66 217	92%	106 370	105 306	99%	131 803	137 531	104%
Sanitation	179	92%				-	-	-
Refuse	293	92%				-	-	-
Other	1 048	92%				-	-	-

B = basic; C = consumption.

See Chapter 6 for the Auditor-General's rating of the quality of the financial accounts and the systems behind them.

Table 3.16.4: Financial performance: Financial Services – Grants / Other income (R'000)

Financial Performance: Grants / Other Income					
Details	2014/2015	2015/2016			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	78 019 537	74 648 000	74 648 000	83 525 389	111.89%
Expenditure:					
Employees	7 228 312	7 993 120	4 296 420	8 846 937	205.91%
Repairs and maintenance	-	-	-	-	-
Other	1 158 802	330 000	4 026 700	1 278 549	31.75%
Total Operating Expenditure	8 387 114	8 323 120	8 323 120	10 125 486	121.65%
Net Operating Expenditure					
T3.16.4					



Table 3.16.5 Financial performance: Financial Management (Interns) (R'000)

Financial Performance: Finance Management (INTERN)					
Details	2015/2016	2016/2017			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	1 242 639	1 250 000	1 250 000	734 472	41.24%
Expenditure:					
Employees	512 580	-	-	455 825	-
Repairs and maintenance	-	-	-	-	-
Other	679 572	1 250 000	1 250 000	247 788	80.18%
Total Operating Expenditure	1 192 152	1 250 000	1 250 000	703 612	43.71%
Net Operating Expenditure					
T3.16.5					

Table 3.16.6: Employees: Financial Services – Financial Management and Control

Job level	2014/2015	2015/2016			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0–3					
4–6					
7–9					
10–12	0	1	1	0	0
13–15					
16–18	1	1	1	0	0
19–20					
Total	1	2	2	0	0

Table 3.3.7: Capital expenditure: Finance & Admin/Finance

Capital projects	2015/2016		2016/2017		
	Budget	Adjustment budget	Actual expenditure	Adjustment budget	Variance from budget
Projects	590 000	78 000	588 747	565 800	(4.06)%



3.17 HUMAN RESOURCE SERVICES

3.17.1 INTRODUCTION

Refer to Chapter 4 for detailed information.

Table 3.17.1: Employees: Human Resource Services

Job level	2015/2016	2016/2017			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0-3	0	0	0	0	0
4-6	0	0	0	0	0
7-9	0	0	0	0	0
10-12	2	3	3	0	0
13-15	1	1	1	0	0
16-18	1	1	1	0	0
19-20	0	0	0	0	0
Total	4	5	5	0	0

Table 3.17.2: Financial performance: Human Resource Services (R'000)

Financial Performance Human Resource Management					
Details	2015/2016	2016/2017			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	-		-	75 931	-
Expenditure:					
Employees	1 705 718	2 026 730	2 026 730	2 234 574	(10.26%)
Repairs and maintenance	-	4 000	4 000	-	100%
Other	95 323	108 350	108 350	173 402	(60.04%)
Total Operating Expenditure	1 800 501	2 139 080	2 139 080	2 407 976	(12.57%)
Net Operating Expenditure					
<p>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.</p>					

T3.17.2



Table 3.17.3: Financial performance: Training (R'000)

Financial Performance Training					
Details	2015/2016	2016/2017			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	277 820	1 558 230	1 558 230	287 954	81.52%
Expenditure:					
Employees	572 995	612 470	612 470	608 402	0.66%
Repairs and maintenance	-	-	-	-	-
Other	443 559	1 833 180	1 833 180	1 490 094	18.72%
Total Operating Expenditure	1 016 554	2 445 650	2 445 650	2 098 496	14.19%
Net Operating Expenditure					
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.</i>					T3.17.3



3.18 INFORMATION AND COMMUNICATION TECHNOLOGY SERVICES

3.18.1 INTRODUCTION

Strategic Goal:

The strategic goal is to provide efficient and effective ICT services to the computer users of the West Coast District Municipality. Thus striving for improved Governance and service delivery.

Projects:

This section has grown into a warehouse of information. System like Electronic Document Systems, Audio- Visual Systems, Performance Management Systems and ERP Systems has played an integral part in decision making and future planning of the West Coast District Municipality. The amount of Data and Metadata collected and used has shown exceptional growth over the past year. Capacity to accommodate this growth has been added to all systems.

But this growth had an impact on our capability to keep everything which led to another future project of upgrading our Backup and Disaster Recovery services. Telecommunication Infrastructure need to be upgraded and streamlined in order to improve on it and this will bring down the costing factor of it.

Internet Access is a necessity in this environment. All systems are becoming more and more dependent on internet access. Moorreesburg is neglected in this regard and one of the options which we need to explore is to become part of the Broadband initiative which was launched by Provincial Government.

Challenges:

Capacity and Expertise is becoming a huge concern. With the immense growth and integration of systems, IT is becoming more dependent on Third Party expertise and support.

Table 3.18.1: Employees: ICT

Job level	2015/2016	2016/2017			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0-3					
4-6					
7-9					
10-12	1	1	1	0	0
13-15	1	1	1	0	0
16-18					
19-20					
Total	2	2	2	0	0
T3.18.1					



Table 3.18.2: Financial performance: ICT (R'000)

Financial Performance: Information Technology					
Details	2015/2016	2016/2017			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	-	-	1 170 000	-	100%
Expenditure:					
Employees	971 649	1 055 710	1 055 710	1 064 830	(0.86%)
Repairs and maintenance	42 568	100 000	100 000	23 7540	76.26%
Other	946 242	1 733 770	2 903 770	1 721 659	40.71%
Total Operating Expenditure	1 960 459	2 889 480	4 059 480	2 810 229	30.77%
Net Operating Expenditure					
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.</i>					T3.18.2



3.19 OFFICE OF THE MUNICIPAL MANAGER

Table 3.19.1: Employees: Office of the Municipal Manager

Job level	2015/2016	2016/2017			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0-3	0	0	0	0	0%
4-6	0	0	0	0	0%
7-9	1	1	1	0	0%
10-12	2	2	2	0	0%
13-15	0	0	0	0	0%
16-18	1	1	1	0	0%
19-20	0	0	0	0	0%
Total	4	4	4	0	0%

Table 3.19.1

Tourism, Human Resources and Internal Audit separate

Table 3.19.2: Financial performance: Office of the Municipal Manager (R'000)

Financial Performance: Office of the Municipal Manager					
Details	2015/2016	2016/2017			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	823 856	120 000	830 000	179 841	78.33%
Expenditure:					
Employees	2 748 010	2 936 950	2 936 950	2 571 30	12.45%
Repairs and maintenance	-	8 000	8 000	-	100 %
Other	1 072 006	323 030	1 033 030	286 853	74%
Total Operating Expenditure	3 820 016	3 267 980	3 977 980	2 858 161	28%
Net Operating Expenditure					

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.

T3.19.2



3.20 INTERNAL AUDIT

3.20.1 INTRODUCTION

The West Coast District Municipality has an efficient Internal Audit Unit, as prescribed in terms of Section 165 of the Municipal Finance Management Act, Act 56 of 2003.

Internal audit provide the municipality with assurance regarding Risk Management, Controls and Governance.

The audit committee is the oversight body whom internal audit needs to account to functionally whilst reporting to management administratively.

The audit committee recommended and Council approved the 2015/2016 internal audit plan.

The audit committee reviewed the following work, amongst others, of internal audit:

- Quarterly progress report against the audit plan, which also highlighted any changes to be affected ,
- All internal audit reports and audit findings for the committee's scrutiny,
- Progress by management on implementing agreed actions plans that address issues raised by internal audit and Auditor General.

Table 3.20.1: Employees: Internal Audit

Job level	2015/2016	2016/2017			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0-3					
4-6					
7-9					
10-12	2	2	2	0	0
13-15	1	1	1	0	0
16-18					
19-20					
Total	3	3	3	0	0



Table 3.20.2: Financial performance: Internal Audit (R'000)

Financial Performance: Internal Audit					
Details	2015/2016	2016/2017			
	Actual	Original budget	Adjustments budget	Actual	Variance from budget
Total Operating Revenue	-	-	-	56 948	-
Expenditure:					
Employees	1 354 125	1 471 450	1 471 450	1 347 260	8.44%
Repairs and maintenance	-	-	-	-	-
Other	42 493	33 600	33 600	57 798	(72.02%)
Total Operating Expenditure	1 396 618	1 505 050	1 505 050	1 405 058	6.64%
Net Operating Expenditure					
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the actual and original Budget by the actual.</i>					T3.20.2



CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

INTRODUCTION

Organisational development can be defined as an emerging discipline aimed at improving the effectiveness of organisations and its members by means of systematically planned interventions. The processes of designing the approved West Coast District Municipality's structure is informed by the following principles:

1. Priority focused

The design must reflect and give optimal effect to the vision, mission and strategic priorities of the West Coast District Municipality. The rule that structure follows strategy should apply.

2. Appropriate

The design of any functional unit should be appropriate to the function. Form should follow function. Different organisational models may thus be applied to different parts of the organisation.

3. Multi-disciplinary team based approaches

The design should encourage multi-disciplinary team based approaches to service delivery and policy development which emphasise participative management and harness skills and resources in a flexible and responsive manner.

4. Devolution of authority

Authority and responsibility should be devolved to the greatest extent appropriate. The design should seek to reduce the number of levels of authority and the chain of command in order to empower staff to act in a proactive but accountable manner and to minimise bureaucracy.

5. Clear lines of accountability

There should be clear lines of authority, accountability and responsibility with manageable spans of control.

6. Results and performance orientation

The design should promote a results-orientated approach and should incorporate monitoring systems to ensure impact and cost-efficiency.

7. Participation and partnership

The decision-making processes of the West Coast District Municipality should help give effect to its enabling, co-ordinating and policy roles and should promote a strong sense of partnership with its major stakeholders.

8. Strategic management and planning

The design should facilitate and encourage strong strategic management and planning. The top management component should thus have a strong strategic role and capability. However, the capacity for thinking strategically should also exist at all levels of the organisation and there should be symbiosis between the organisation's strategic and functional components.

9. Client focused



The design should be externally directed towards on the client/customer and should thus emphasise the role of front-line staff.

10. Use of information technology

The design should exploit modern information technologies to establish efficient and effective communication, information and management systems and to achieve savings.

11. Flexible approach to centralisation and decentralisation

The design should balance elements of both centralisation and decentralisation in a flexible manner so as to minimise the disadvantages of scale (remoteness) but also to maximise its benefits (economies of scale, specialisation).

12. Organisational and human resources development

The organisational design should promote on-going organisational and human resources development. In this regard more flexible approaches to job grading evaluation to allow for on-going development will need to be considered.

13. Simplicity

The design should be as simple and understandable as possible.

14. Financial sustainability/viability

The design should be realistic in terms of the West Coast District Municipality's financial capacity.

The Municipality's organisational development function is as follows:

(a) Office of the Municipal Manager

- Human Resources
- Internal Auditing and Risk Management
- Shared Services / Projects
- Strategic Services
- Social and Community Development
- Tourism
- Public Relations

(b) Department: Administration and Community Services

- Administration
- Municipal Environmental Health
- Municipal Environmental Integrity
- Air Quality
- Disaster Management
- Fire Services

(c) Department: Financial Services

- Financial Statements, Reporting and Asset Control
- Income and Expenditure
- Supply Chain Management
- Information and Communication Technology



- Resort Administration

(d) Department: Infrastructure Services

- Town and Regional Planning
- Roads Construction, Concrete and Maintenance
- Mechanical Workshops
- Water Purification
- Water Distribution
- Electrical and Instrumentation Services
- Civil Engineering Projects

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

4.1.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Table 4.1: Employees

Description	2016/2017			
	Approved posts (N)	Employees (N)	Vacancies (N)	Vacancies (%)
Water	118	97	21	18%
Health	29	28	1	3%
Security and Safety	88	80	8	9%
Roads	233	213	20	9%
Planning	1	1	0	0%
Planning (strategic and regulatory)	11	11	0	0%
Community and social services	6	4	2	33%
Environmental protection	3	3	0	0%
Corporate policy offices and other	82	81	1	1%
				T4.1.1



Table 4.2: Vacancy rate for 2016/2017

Designations	Approved posts	Variances (N)	Variances (%)
Municipal manager	1	0	0%
CFO	1	0	0%
Other S57 managers (excluding finance posts)	2	0	0%
Other S57 managers (finance managers)	0	0	0%
Fire fighters	88	8	9%
Senior managers: levels 13–18 (excluding finance posts)	31	0	0%
Senior managers: levels 13–16 (finance posts)	5	0	0%
Highly skilled supervisors: levels 9–12 (excluding finance posts)	104	17	16%
Highly skilled supervisors: levels 9–12 (finance posts)	11	1	9%
			T4. 2

Table 4.3: Turnover rate

Details	Total appointments from beginning of financial year	Total terminations during financial year	Turnover rate
2016/2017	60	23	4%
			T4.3



4.2 HUMAN RESOURCE POLICIES

Table 4.4: Human resource policies and plans

	Name of policy	Completed (%)	Reviewed (%)	Date adopted by council or comment on failure to adopt
1	Induction Policy	100		2008/08/24
2	Recruitment and Selection Policy	100		2012/04/24
3	Study Bursary Policy	100		2010/09/01
4	Private Work and Declaration of Interest Policy	100		2016/12/07
5	Education, Training and Development Policy	100		2008/08/24
6	Succession Planning Career Pathing Policy	100		2008/08/24
7	Student Assistance Policy	100		2008/08/24
8	Travel and Removal Expenses Policy	100		2008/08/24
9	Disciplinary and Grievances Procedure	100		2014/04/23
10	Whistleblowing Policy	100		2014/10/29
11	Nepotism Policy	100		2014/10/29
12	Confidentiality Policy	100		2014/10/29
13	Overtime Policy	100		2013/03/12
14	Manage Poor Work Performance Policy	100		2013/03/12
15	Attendance and Punctuality Policy	100		2008/08/24
16	Unpaid Leave Policy	100		2008/08/24
17	Sexual Harassment Policy	100		2013/05/14
18	Use of Official Vehicle Policy	100		2008/08/24
19	Staff Statements to the Media Policy	100		2014/10/29
20	Internet and E-mail Policy	100		2008/08/24
21	Chronic Illness Policy	100		2014/10/29
22	Substance Abuse Policy	100		2016/12/07
23	Occupational Health and Safety Policy	100		2014/10/29
24	Smoking Policy	100		2013/05/14
25	Uniform and Protective Clothing Policy	100		2014/10/29
26	HIV/Aids Policy	100		2014/10/29
27	Employment Assistance Programme	100		2014/10/29
28	Travel and Subsistence Policy	100		2016/12/07
29	Extra Services Allowance Policy	100		2012/04/24
30	Maternity Benefit Policy	100		2014/04/23
31	Progression Policy for Fire Services	100		2010/06/15
32	Hepatitis B Policy	100		2016/12/07
33	Municipal External Bursary Scheme	100		2017/01/18
34	T.A.S.K. Job Evaluation Policy	100		2016/12/07
35	Transport Scheme Policy	100		2016/12/07
Human resources policies are being reviewed on an annual basis for amendments and improvements.				



COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.3 INJURIES, SICKNESS AND SUSPENSIONS – 2016 /2017

Table 4.5: Number and cost of injuries on duty

Type of injury	Injury leave taken (Days)	Employees using injury leave (N)	Proportion of employees using sick leave (%)	Average injury leave per employee (Days)	Total estimated cost (R'000)
Required basic medical attention only	19	33	6%	0.5	9723.94
Temporary total disablement	354	14	3%	25	181 701.56
Permanent disablement	0	0	0%	0	0
Fatal	0	0	0%	0	0
Total	373	47	9%	25.5	191 425.5
					T4.5

Table 4.6: Number of days and cost of sick leave (excluding injuries on duty)

Table 4.6: Number of days and cost of sick leave (excluding injuries on duty)

Designations	Total sick leave (Days)	Proportion of sick leave without medical certification (%)	Employees using sick leave (N)	Total employees in post* (N)	Average sick leave per employee** (Days)	Estimated cost (R'000)
Lower skilled (levels 1–2)	1389	13%	160	217	6	517643.77
Skilled (levels 3–5)	1314	10%	139	157	8	899443.49
Highly skilled (levels 6–8)	328	9%	34	93	4	310913.05
Highly skilled supervision (levels 9–12)	173	18%	27	36	5	231469.47
Senior management (levels 13–16)	103	7%	11	11	9	1191143.42
MM and S57	0	0	0	4	0	0
Total	3307	12%	371	518	0	2150613.20
						T4.6
*Number of employees in post at the beginning of the year.						
**Average calculated by taking sick leave in column 2 divided by total employees in column 5.						



Table 4.7: Number and period of suspensions

Position	Nature of alleged misconduct	Date of suspension	Details of disciplinary action taken or status of case and reasons why not finalised	Date finalised
General Assistant Grader	Absent without leave (AWOL)	2016/12/13 – 2016/12/23	Final written warning, 10 days suspension (unpaid)	2016/12/13
Truck Driver	Gross Negligence	2017/01/09 – 2017/01/19	Final written warning, 10 days suspension (unpaid)	2017/01/09
Regional Coordinator	Gross Negligence	2017/04/12 – 2017/04/22	Final written warning, 10 days suspension (unpaid)	2017/04/12
				T4.7

Table 4.8: Disciplinary action taken against cases of financial misconduct

Position	Nature of alleged misconduct and rand value of loss to the Municipality	Disciplinary action taken	Date finalised
None.			
T4.8			

4.4 PERFORMANCE REWARDS

No performance reward system for permanent employees.

Performance contracts are entered into with the Section 57 employees.



COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.5 SKILLS DEVELOPMENT AND TRAINING

4.5.1 INTRODUCTION: WORKFORCE CAPACITY DEVELOPMENT

Training initiatives are rolled out in the Municipality, including apprenticeships as mechanic, plumber, carpenter and bricklayer trades, as well as learnerships in water reticulation, water process control and the construction of roads. Training for fire personnel is a priority in the Municipal District, and recruits are appointed and sent for the necessary training. Short courses to upskill skilled employees are rolled out annually according to the Workplace Skills Plan, which is linked to the strategic objectives of the West Coast District Municipality.

Table 4.9: Skills matrix

Management level	Gender	Employees in post as at 30 June 2017 (N)	Number of skilled employees required and actual as at 30 June 2017			
			Received training		Percentage	
			Original	Actual	Original	Actual
Legislators	Female	9	4	4	54	54
	Male	15	9	9		
Directors and corporate managers	Female	6	1	1	58	58
	Male	18	13	13		
Professionals	Female	22	21	21	98	98
	Male	22	22	22		
Technicians and associate professionals	Female	19	1	1	48	48
	Male	42	28	28		
Total		153	99	99	65	65
T4.9						



Table 4.10: Financial competency development: Progress report*

Description	A. Total: Officials employ	B. Total: Officials employ	Consolidated: total: A + B	Competency assessments	Total: Officials with perform	Total: Officials meeting
Financial officials						
Accounting officer	1	0	1	1	1	1
Chief financial officer	1	0	1	1	1	1
Senior managers	2	0	2	2	2	2
Any other financial official	14	0	14	0	0	14
SCM officials						
Heads of SCM units	1	0	1	0	0	1
SCM senior manager	0	0	0	0	0	0
Total	19	0	19	4	4	19
*This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulation (June 2007).						

Table 4.11: Skills development and expenditure (R'000)

Management level	Gender	Employees in post as at 30 June 2016 (N)	Total number of employees who received training and percentage			
			Received training		%	
			Original	Actual	Original	Actual
Legislators	Female	9	4	4	54	54
	Male	15	9	9		
Directors and corporate managers	Female	6	1	1	58	58
	Male	18	13	13		
Professionals	Female	22	21	21	98	98
	Male	22	22	22		
Technicians and associate professionals	Female	19	1	1	48	48
	Male	42	28	28		
Clerical and administrative workers	Female	17	3	3	12	12
	Male	9	0	0		
Community and personal services workers	Female	7	5	5	94	94
	Male	65	63	63		
Skilled Agricultural, Forestry, Fishery, Craft and Related Trade Workers	Female	0	0	0	33	33
	Male	15	5	5		
Machine operators and drivers	Female	0	0	0	52	52
	Male	52	27	27		
Elementary occupations	Female	27	13	13	61	61
	Male	192	121	121		
Total		537	336	336	63	63

Table 4.11

Total actual training spend for the year: R1 646 692.00



INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- **Component A:** Statement of Financial Performance
- **Component B:** Spending Against Capital Budget
- **Component C:** Other Financial Matter



COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

Note: Statements of Revenue Collection Performance by vote and by source are included at **Appendix K**

DC1 West Coast - Reconciliation of Table A1 Budget Summary												
Description	2016/17								2015/16			
	Original Budget	Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
R thousands												
Financial Performance												
Property rates	-	-	-	-		-	-	-				-
Service charges	112 744	-	112 744	114 321		1 576	101,4%	101,4%				113 875
Investment revenue	8 663	-	8 663	20 727		12 064	239,3%	239,3%				17 176
Transfers recognised - operational	87 024	3 310	90 334	88 917		(1 417)	98,4%	102,2%				88 127
Other own revenue	138 303	-	138 303	140 076		1 774	101,3%	101,3%				156 685
Total Revenue (excluding capital transfers and contributions)	346 734	3 310	350 043	364 041		13 997	104,0%	105,0%				375 863
Employee costs	159 017	-	159 017	155 587	-	(3 430)	97,8%	97,8%	-	-	-	145 962
Remuneration of councillors	6 947	-	6 947	5 693	-	(1 255)	81,9%	81,9%	-	-	-	6 153
Debt impairment	788	-	788	-	-	(788)	-	-	-	-	-	282
Depreciation & asset impairment	14 616	-	14 616	14 254	-	(362)	97,5%	97,5%	-	-	-	13 598
Finance charges	9 299	-	9 299	7 276	-	(2 022)	78,3%	78,3%	-	-	-	8 943
Materials and bulk purchases	71 177	-	71 177	67 923	-	(3 254)	95,4%	95,4%	-	-	-	92 823
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	82 207	3 310	85 517	75 638	-	(9 879)	88,4%	92,0%	-	-	-	86 728
Total Expenditure	344 050	3 310	347 360	326 371	-	(20 989)	94,0%	94,9%	-	-	-	354 488
Surplus/(Deficit)	2 683	-	2 683	37 670		34 987	1403,9%	1403,9%				21 375
Transfers recognised - capital	-	-	-	-		-	-	-				-
Contributions recognised - capital & contributed assets	-	-	-	-		-	-	-				-
Surplus/(Deficit) after capital transfers & contributions	2 683	-	2 683	37 670		34 987	1403,9%	1403,9%				21 375
Share of surplus/ (deficit) of associate	-	-	-	-		-	-	-				-
Surplus/(Deficit) for the year	2 683	-	2 683	37 670		34 987	1403,9%	1403,9%				21 375
Capital expenditure & funds sources												
Capital expenditure												
Transfers recognised - capital	-	-	-	-		-	-	-				-
Public contributions & donations	-	-	-	-		-	-	-				-
Borrowing	-	-	-	-		-	-	-				-
Internally generated funds	11 305	-	11 305	10 852		(453)	96,0%	96,0%				6 440
Total sources of capital funds	11 305	-	11 305	10 852		(453)	96,0%	96,0%				6 440
Cash flows												
Net cash from (used) operating	18 087	-	18 087	33 671		15 584	186,2%	186,2%				49 113
Net cash from (used) investing	(11 305)	-	(11 305)	(10 660)		645	94,3%	94,3%				(6 168)
Net cash from (used) financing	(15 493)	-	(15 493)	(15 492)		1	100,0%	100,0%				(14 998)
Cash/cash equivalents at the year end	190 257	-	190 257	234 434		44 177	123,2%	123,2%				226 915



DC1 West Coast - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description	2016/17								2015/16			
	Original Budget	Budget Adjustments (i.to. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue - Standard												
Governance and administration	82 872	2 131	85 004	96 278		11 275	113,3%	116,2%				89 382
Executive and council	2 237	961	3 198	1 437		(1 760)	44,9%	64,3%				1 971
Budget and treasury office	80 630	-	80 630	94 329		13 698	117,0%	117,0%				87 401
Corporate services	5	1 170	1 175	512		(663)	43,6%	9753,1%				10
Community and public safety	26 378	179	26 557	27 558		1 001	103,8%	104,5%				23 711
Community and social services	3 304	-	3 304	3 655		351	110,6%	110,6%				3 036
Sport and recreation	-	-	-	-		-	-	-				-
Public safety	12 164	-	12 164	12 765		601	104,9%	104,9%				10 848
Housing	2 043	-	2 043	1 923		(120)	94,1%	94,1%				1 628
Health	8 867	179	9 046	9 216		170	101,9%	103,9%				8 199
Economic and environmental services	123 470	-	123 470	124 450		980	100,8%	100,8%				147 972
Planning and development	-	-	-	57		57	#DIV/0!	#DIV/0!				-
Road transport	123 470	-	123 470	124 393		923	100,7%	100,7%				147 972
Environmental protection	-	-	-	-		-	-	-				-
Trading services	114 013	1 000	115 013	115 845		833	100,7%	101,6%				114 799
Electricity	-	-	-	-		-	-	-				-
Water	114 013	1 000	115 013	115 845		833	100,7%	101,6%				114 799
Waste water management	-	-	-	-		-	-	-				-
Waste management	-	-	-	-		-	-	-				-
Other	-	-	-	-		-	-	-				-
Total Revenue - Standard	346 734	3 310	350 043	364 131		14 087	104,0%	105,0%				375 863
Expenditure - Standard												
Governance and administration	57 579	2 131	59 710	49 302	(10 408)	(10 408)	82,6%	85,6%	-	-	-	52 750
Executive and council	22 209	961	23 170	20 644	(2 526)	(2 526)	89,1%	93,0%	-	-	-	18 775
Budget and treasury office	24 032	-	24 032	16 616	(7 416)	(7 416)	69,1%	69,1%	-	-	-	23 987
Corporate services	11 338	1 170	12 508	12 042	(466)	(466)	96,3%	106,2%	-	-	-	9 988
Community and public safety	64 497	179	64 675	67 897	3 222	3 222	105,0%	105,3%	-	-	-	57 390
Community and social services	4 787	-	4 787	4 856	70	70	101,5%	101,5%	-	-	-	4 335
Sport and recreation	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	37 741	-	37 741	40 184	2 443	2 443	106,5%	106,5%	-	-	-	33 239
Housing	1 297	-	1 297	1 139	(158)	(158)	87,8%	87,8%	-	-	-	1 336
Health	20 672	179	20 850	21 718	868	868	104,2%	105,1%	-	-	-	18 481
Economic and environmental services	114 590	-	114 590	116 238	1 648	1 648	101,4%	101,4%	-	-	-	133 778
Planning and development	3 106	-	3 106	3 151	46	46	101,5%	101,5%	-	-	-	3 213
Road transport	111 485	-	111 485	113 087	1 602	1 602	101,4%	101,4%	-	-	-	130 565
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	107 384	1 000	108 384	92 933	(15 451)	(15 451)	85,7%	86,5%	-	-	-	110 569
Electricity	-	-	-	-	-	-	-	-	-	-	-	-
Water	107 384	1 000	108 384	92 933	(15 451)	(15 451)	85,7%	86,5%	-	-	-	110 569
Waste water management	-	-	-	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	344 050	3 310	347 360	326 371	(20 989)	(20 989)	94,0%	94,9%	-	-	-	354 488
Surplus/(Deficit) for the year	2 683	-	2 683	37 760	35 077	35 077	1407,2%	1407,2%	-	-	-	21 375



5.2 GRANTS

DC1 West Coast - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M12 June

Description	Ref	2015/16	Budget Year 2016/17						
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								%	
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:		86 138	86 904	87 047	86 658	87 047	(389)	-0.4%	87 047
Local Government Equitable Share		80 458	82 194	82 194	82 194	82 194	-		82 194
Finance Management		1 250	1 250	1 250	1 250	1 250	-		1 250
Municipal Systems Improvement		787	-	143	143	143	-		143
EPWP Incentive		1 000	1 036	1 036	1 036	1 036	-		1 036
Rural asset management system		2 199	2 424	2 424	1 980	2 424	(444)	-18.3%	2 424
Rainwater tanks		444	-	-	55	-	55		-
Working for water		-	-	-	-	-	-		-
Provincial Government:		603	120	2 287	1 280	2 287	(1 007)	-44.0%	2 287
Finance Management Capacity Building		551	120	120	120	120	-		120
Capacity building Health services		51	-	129	129	129	-		129
Finance Management Capacity Building		-	-	2 038	1 032	2 038	(1 007)	-49.4%	2 038
0		-	-	-	-	-	-		-
0		-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-		-
		-	-	-	-	-	-		-
<i>[insert description]</i>		-	-	-	-	-	-		-
Other grant providers:		1 386	-	1 000	979	1 000	(21)	-2.1%	1 000
Work for Water		638	-	1 000	979	1 000	(21)	-2.1%	1 000
<i>Mayor fund and other</i>		748	-	-	-	-	-		-
Total operating expenditure of Transfers and Grants:		88 127	87 024	90 334	88 917	90 334	(1 417)	-1.6%	90 334
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		88 127	87 024	90 334	88 917	90 334	(1 417)	(0)	90 334

5.3 ASSET MANAGEMENT

INTRODUCTION

Property, plant and equipment are tangible assets that:

- Are held by a municipality for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and
- Are expected to be used during more than one period.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the asset are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally assessed standard of performance, it is regarded as repairs and maintenance and is expensed.

The enhancement of an existing asset so that its use is expanded or the further development of an asset so that its original life is extended are examples of subsequent expenditure which should be capitalised.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset

TREATMENT OF THE TWO LARGEST ASSETS ACQUIRED YEAR 1				
Asset 1				
Name	Water Reticulation			
Description				
Asset Type	Infrastructure			
Key Staff Involved	HF Prins	J Koekemoer	PR April	H Matthee
Staff Responsibilities	Municipal Manager	Chief Financial Officer	Snr Manager: Finance & Control	Director: Technical Services
Asset Value	Year -2	Year -1	Year 0	Year 1
				7 452
Capital Implications	None			
Future Purpose of Asset	Bulk Water Supply			
Describe Key Issues	None			
Policies in Place to Manage Asset	Asset Management Policy	Supply Chain Policy		Credit Control Policy

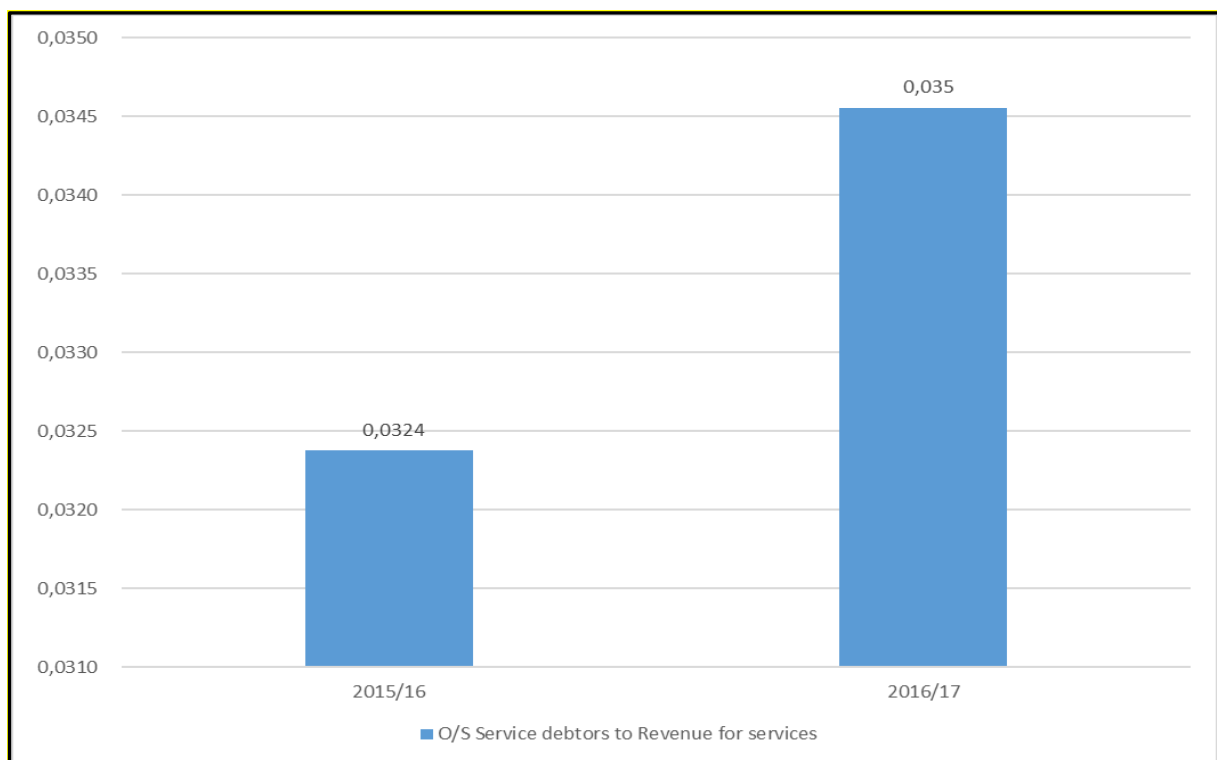
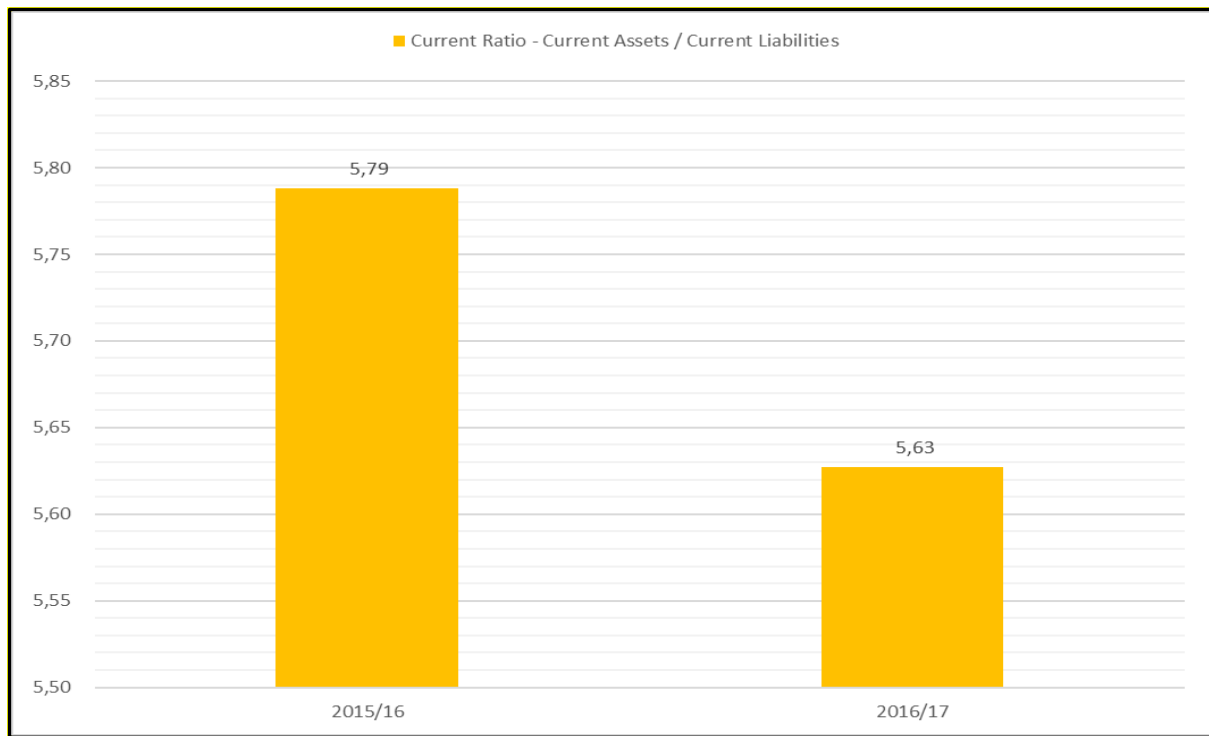


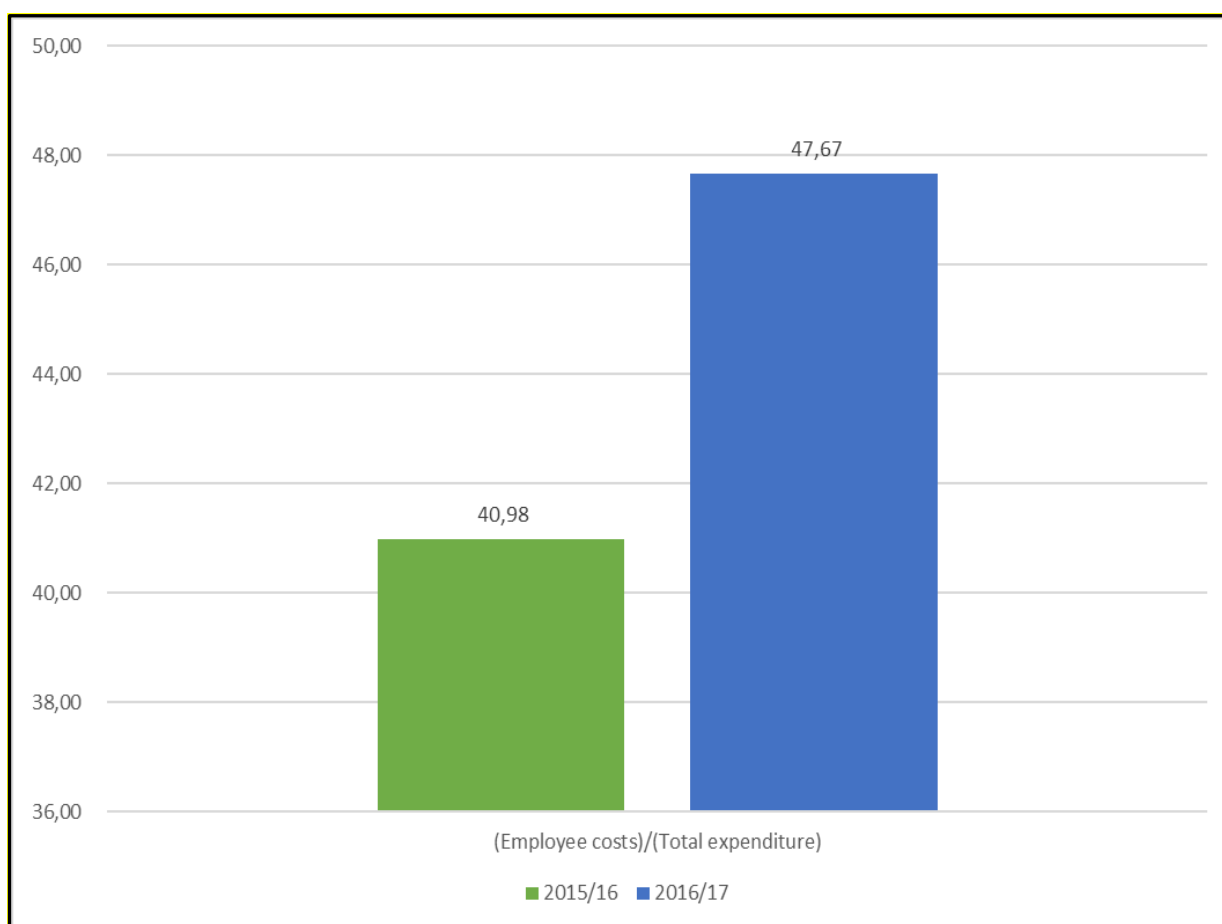
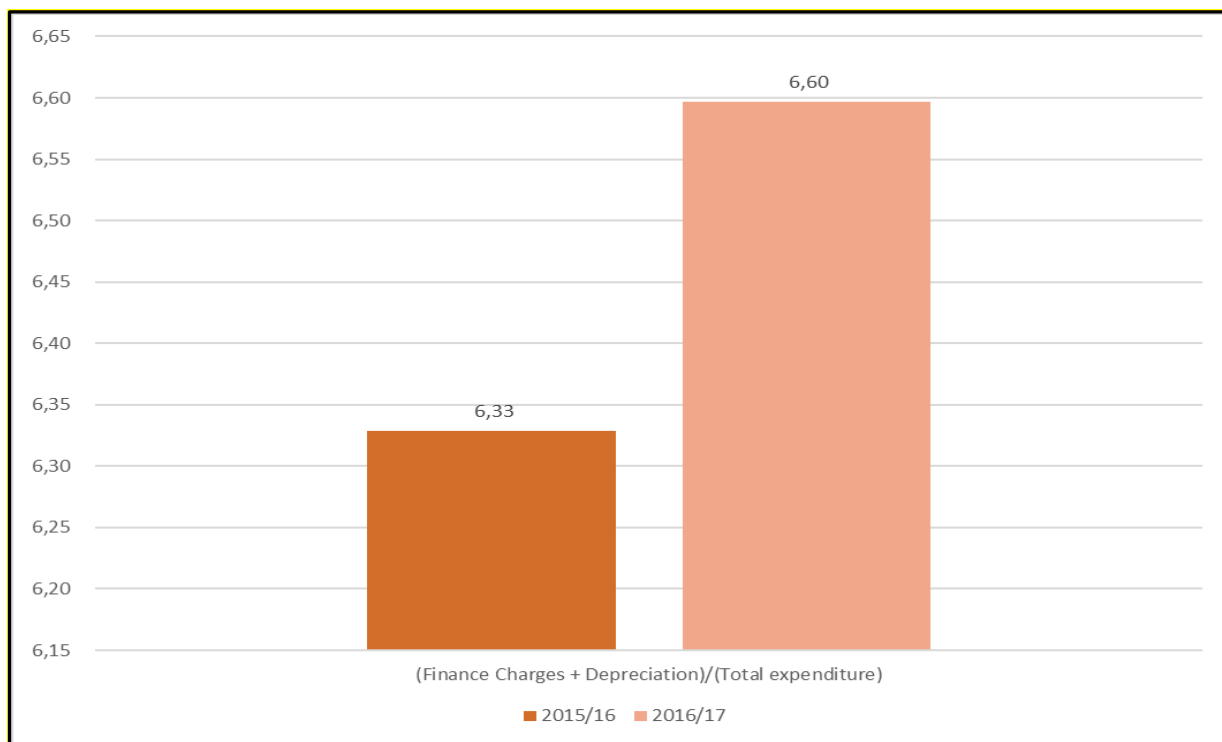
Asset 2				
Name	Fire Equipment and Vehicles			
Description				
Asset Type	Infrastructure			
Key Staff Involved	HF Prins	J Koekemoer	PR April	W Markus
Staff Responsibilities	Municipal Manager	Chief Financial Officer	Snr Manager: Finance & Control	Director: Corporate and Community Services
Asset Value	Year -2	Year -1	Year 0	Year 1
				2 662
Capital Implications	None			
Future Purpose of Asset	Fire Fighting			
Describe Key Issues	None			
Policies in Place to Manage Asset	Asset Management Policy	Supply Chain Policy	Credit Control Policy	
T5.31				

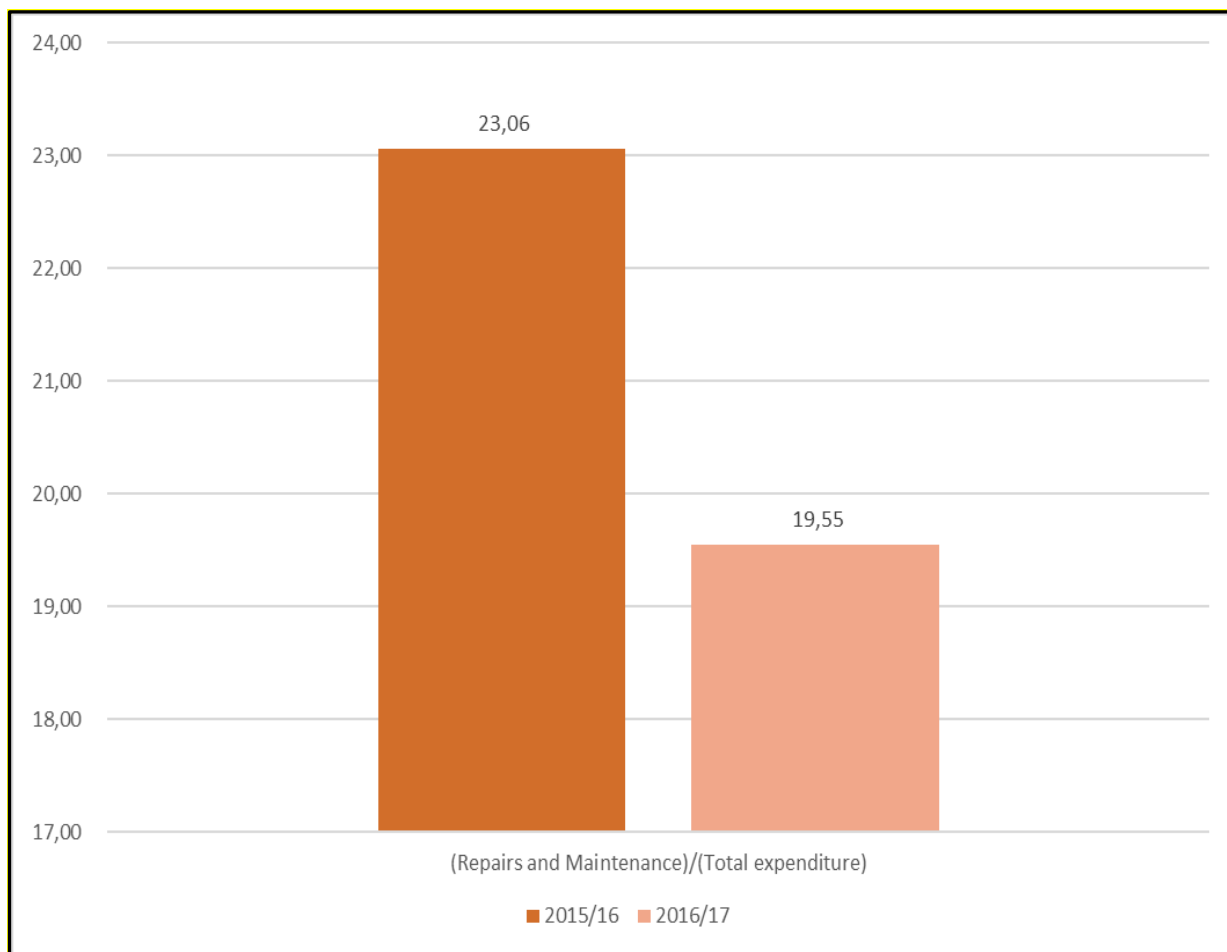
Repair and Maintenance Expenditure: Year 1				
	Original Budget	Adjustment Budget	Actual	Budget spent
Repairs and Maintenance Expenditure	60 877	60 877	63 795	104.79%
T5.3.2				



5.4 FINANCIAL RATIO'S







COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

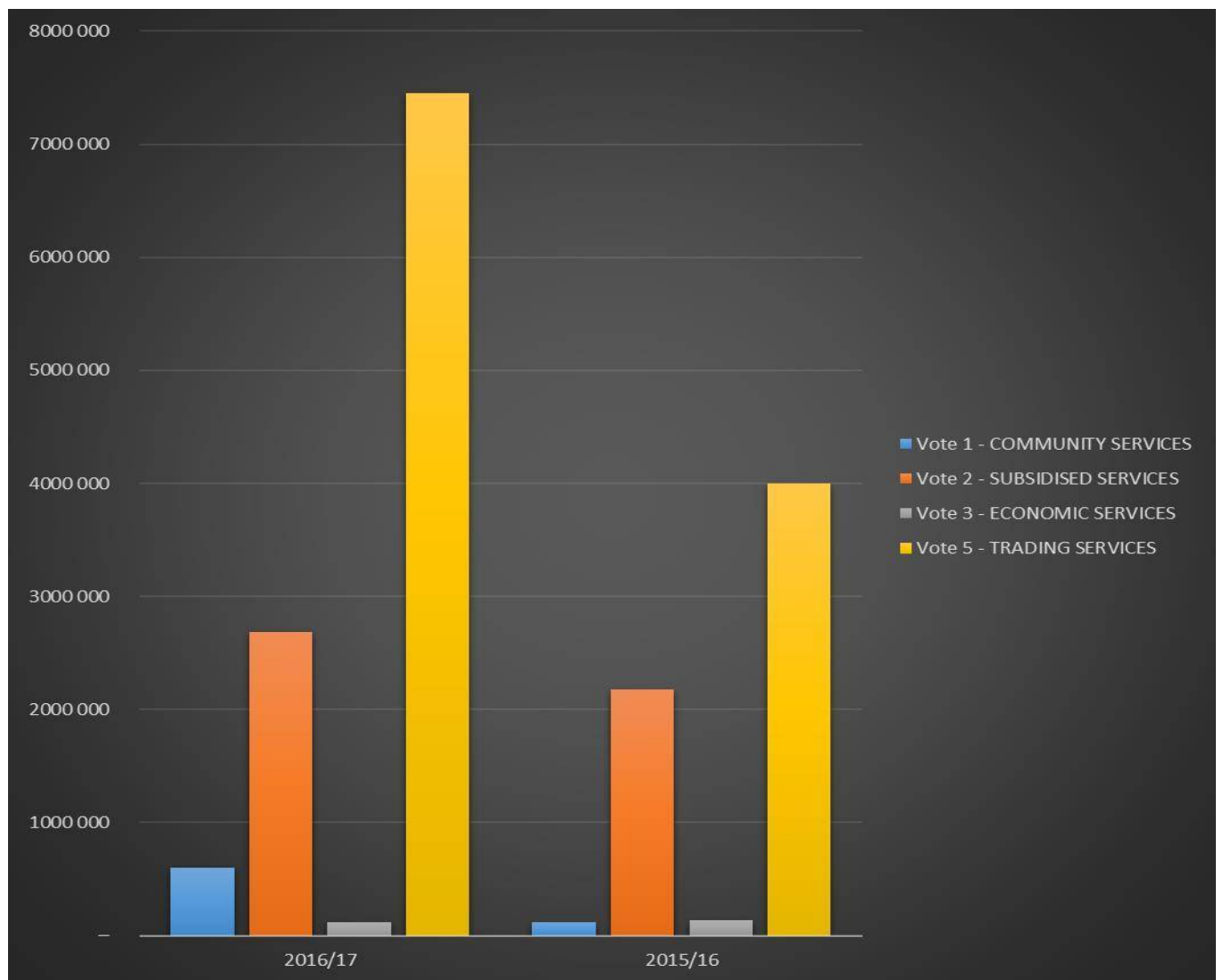


5.5 CAPITAL EXPENDITURE BY STANDARD CLASSIFICATION

DC1 West Coast - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	2016/17								2015/16			
	Original Budget	Total Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Capital expenditure - Vote												
Multi-year expenditure												
Vote 1 - COMMUNITY SERVICES	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - SUBSIDISED SERVICES	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - ECONOMIC SERVICES	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - HOUSING	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - TRADING SERVICES	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - AGENCIES	-	-	-	-	-	-	-	-	-	-	-	-
Example 7 - Vote7	-	-	-	-	-	-	-	-	-	-	-	-
Example 8 - Vote8	-	-	-	-	-	-	-	-	-	-	-	-
Example 9 - Vote9	-	-	-	-	-	-	-	-	-	-	-	-
Example 10 - Vote10	-	-	-	-	-	-	-	-	-	-	-	-
Example 11 - Vote11	-	-	-	-	-	-	-	-	-	-	-	-
Example 12 - Vote12	-	-	-	-	-	-	-	-	-	-	-	-
Example 13 - Vote13	-	-	-	-	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure												
Vote 1 - COMMUNITY SERVICES	594	-	594	597	-	3	101%	101%	-	-	-	118
Vote 2 - SUBSIDISED SERVICES	2 905	-	2 905	2 687	-	(218)	93%	93%	-	-	-	2 178
Vote 3 - ECONOMIC SERVICES	116	-	116	116	-	(0)	100%	100%	-	-	-	141
Vote 4 - HOUSING	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - TRADING SERVICES	7 690	-	7 690	7 452	-	(238)	97%	97%	-	-	-	4 003
Vote 6 - AGENCIES	-	-	-	-	-	-	-	-	-	-	-	-
Example 7 - Vote7	-	-	-	-	-	-	-	-	-	-	-	-
Example 8 - Vote8	-	-	-	-	-	-	-	-	-	-	-	-
Example 9 - Vote9	-	-	-	-	-	-	-	-	-	-	-	-
Example 10 - Vote10	-	-	-	-	-	-	-	-	-	-	-	-
Example 11 - Vote11	-	-	-	-	-	-	-	-	-	-	-	-
Example 12 - Vote12	-	-	-	-	-	-	-	-	-	-	-	-
Example 13 - Vote13	-	-	-	-	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure	11 305	-	11 305	10 852	-	(453)	96%	96%	-	-	-	6 440
Total Capital Expenditure - Vote	11 305	-	11 305	10 852	-	(453)	96%	96%	-	-	-	6 440
Capital Expenditure - Standard												
Governance and administration	576	-	576	597	-	21	104%	104%	-	-	-	99
Executive and council	10	-	10	8	-	(2)	83%	83%	-	-	-	-
Budget and treasury office	566	-	566	589	-	23	104%	104%	-	-	-	-
Corporate services	-	-	-	-	-	-	-	-	-	-	-	99
Community and public safety	3 039	-	3 039	2 803	-	(236)	92%	92%	-	-	-	2 338
Community and social services	116	-	116	116	-	(0)	100%	100%	-	-	-	141
Sport and recreation	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	2 895	-	2 895	2 662	-	(233)	92%	92%	-	-	-	2 178
Housing	-	-	-	-	-	-	-	-	-	-	-	-
Health	28	-	28	25	-	(3)	91%	91%	-	-	-	19
Economic and environmental services	-	-	-	-	-	-	-	-	-	-	-	-
Planning and development	-	-	-	-	-	-	-	-	-	-	-	-
Road transport	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	7 690	-	7 690	7 452	-	(238)	97%	97%	-	-	-	4 003
Electricity	-	-	-	-	-	-	-	-	-	-	-	-
Water	7 690	-	7 690	7 452	-	(238)	97%	97%	-	-	-	4 003
Waste water management	-	-	-	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	11 305	-	11 305	10 852	-	(453)	96%	96%	-	-	-	6 440
Funded by:												
National Government	-	-	-	-	-	-	-	-	-	-	-	-
Provincial Government	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	11 305	-	11 305	10 852	-	(453)	96%	96%	-	-	-	6 440
Total Capital Funding	11 305	-	11 305	10 852	-	(453)	96%	96%	-	-	-	6 440

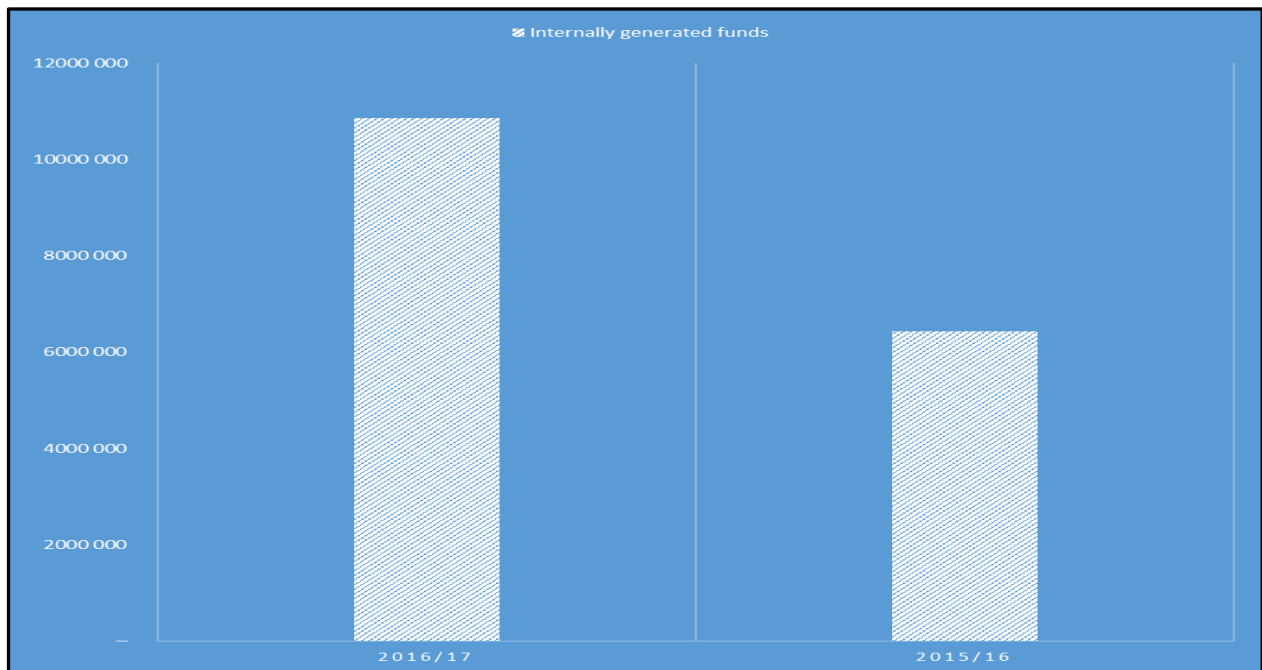




5.6 SOURCES OF FINANCE

Vote Description R thousand	2016/17								2015/16			
	Original Budget	Total Budget Adjustments (i.to. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome

Funded by:												
National Government	-	-	-	-		-	-	-				-
Provincial Government	-	-	-	-		-	-	-				-
District Municipality	-	-	-	-		-	-	-				-
Other transfers and grants	-	-	-	-		-	-	-				-
Transfers recognised - capital	-	-	-	-		-	-	-				-
Public contributions & donations	-	-	-	-		-	-	-				-
Borrowing	-	-	-	-		-	-	-				-
Internally generated funds	11 305	-	11 305	10 852		(453)	96%	96%				6 440
Total Capital Funding	11 305	-	11 305	10 852		(453)	96%	96%				6 440



5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
Name of Project	Current Year: Year 1			Variance Current Year: Year 1	
	Original Budget	Adjustment Budget	Actual Expenditure	Original spent (%)	Adjustment spent (%)
A – Pipe replacement	2 650 000	3 027 000	2 895 340	109.26%	95.65%
B – Valves	2 150 000	1 868 809	1 836 227	85.41%	98.26%
C – Fire Fighting Equipment	2 303 000	1 273 810	1 269 489	55.12%	99.66%
D - Fire Fighting Vehicles	0	739 000	666 386	0%	90.17%
E – Network Communication : Water	560 000	643 900	636 251	113.62%	98.81%
* Projects with the highest capital expenditure in Year 1					

Name of Project - A	
Objective of Project	Bulk water supply
Delays	None
Future Challenges	None
Anticipated citizen benefits	Access to basic services

Name of Project - B	
Objective of Project	Bulk water supply
Delays	None
Future Challenges	None
Anticipated citizen benefits	Access to basic services

Name of Project - C	
Objective of Project	Disaster relief
Delays	None
Future Challenges	None
Anticipated citizen benefits	Public Safety

Name of Project - D	
Objective of Project	Disaster relief
Delays	None
Future Challenges	None
Anticipated citizen benefits	Public safety

Name of Project - E	
Objective of Project	Upgrading of computer network
Delays	None
Future Challenges	None
Anticipated citizen benefits	None
T5.7.1	



Municipal Infrastructure Grant (MIG)* Expenditure Year 1 on Service backlogs						
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Infrastructure - Road transport				%	%	
Roads, Pavements & Bridges				%	%	
Storm water				%	%	
Infrastructure - Electricity				%	%	
Generation				%	%	
Transmission & Reticulation				%	%	
Street Lighting				%	%	
Infrastructure - Water				%	%	
Dams & Reservoirs				%	%	
Water purification				%	%	
Reticulation				%	%	
Infrastructure - Sanitation				%	%	
Reticulation				%	%	
Sewerage purification				%	%	
Infrastructure - Other				%	%	
Waste Management				%	%	
Transportation				%	%	
Gas				%	%	
Other Specify:				%	%	
				%	%	
				%	%	
				%	%	
Total				%	%	
<p>* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</p>						

T5.8.3



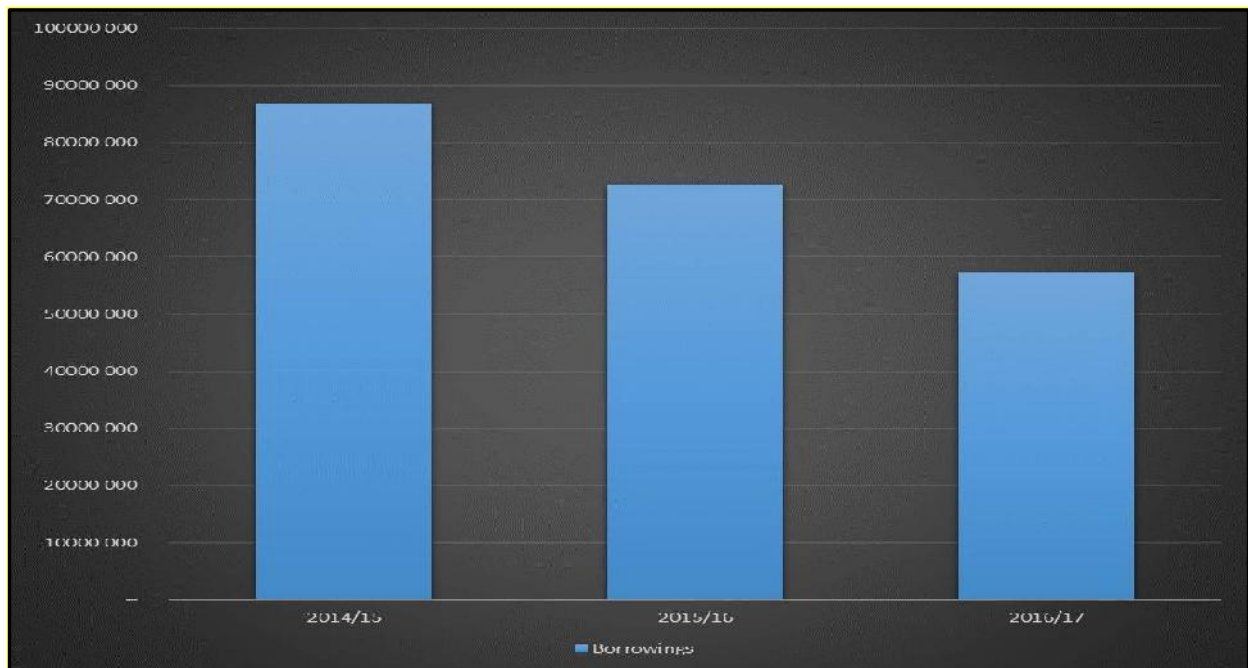
5.8 CASH FLOW

DC1 West Coast - Reconciliation of Table A7 Budgeted Cash Flows

Description	2016/17							2015/16
	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates, penalties and collection charges	-	-	-	-	-	-	-	-
Service charges	112 744	-	112 744	114 321	1 576	101,4%	101,4%	113 875
Other revenue	138 275	-	138 275	88 917	(49 357)	64,3%	64,3%	144 420
Government - operating	87 024	3 310	90 334	111 137	20 804	123,0%	127,7%	88 624
Government - capital	-	-	-	-	-	-	-	-
Interest	8 691	-	8 691	20 727	12 036	238,5%	238,5%	17 176
Dividends	-	-	-	-	-	-	-	-
Payments								
Suppliers and employees	(319 348)	(3 310)	(322 658)	(294 154)	28 503	91,2%	92,1%	(306 038)
Finance charges	(9 299)	-	(9 299)	(7 276)	2 022	78,3%	78,3%	(8 943)
Transfers and Grants	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	18 087	-	18 087	33 671	15 584	186,2%	186,2%	49 113
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-
Payments								
Capital assets	(11 305)	-	(11 305)	(10 660)	645	94,3%	94,3%	(6 168)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(11 305)	-	(11 305)	(10 660)	645	94,3%	94,3%	(6 168)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-
Payments								
Repayment of borrowing	(15 493)	-	(15 493)	(15 492)	1	100,0%	100,0%	(14 998)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(15 493)	-	(15 493)	(15 492)	1	100,0%	100,0%	(14 998)
NET INCREASE/ (DECREASE) IN CASH HELD	(8 710)	-	(8 710)	7 520				27 948
Cash/cash equivalents at the year begin:	198 967	-	198 967	226 915				198 967
Cash/cash equivalents at the year end:	190 257	-	190 257	234 434	44 177	123,2%	123,2%	226 915

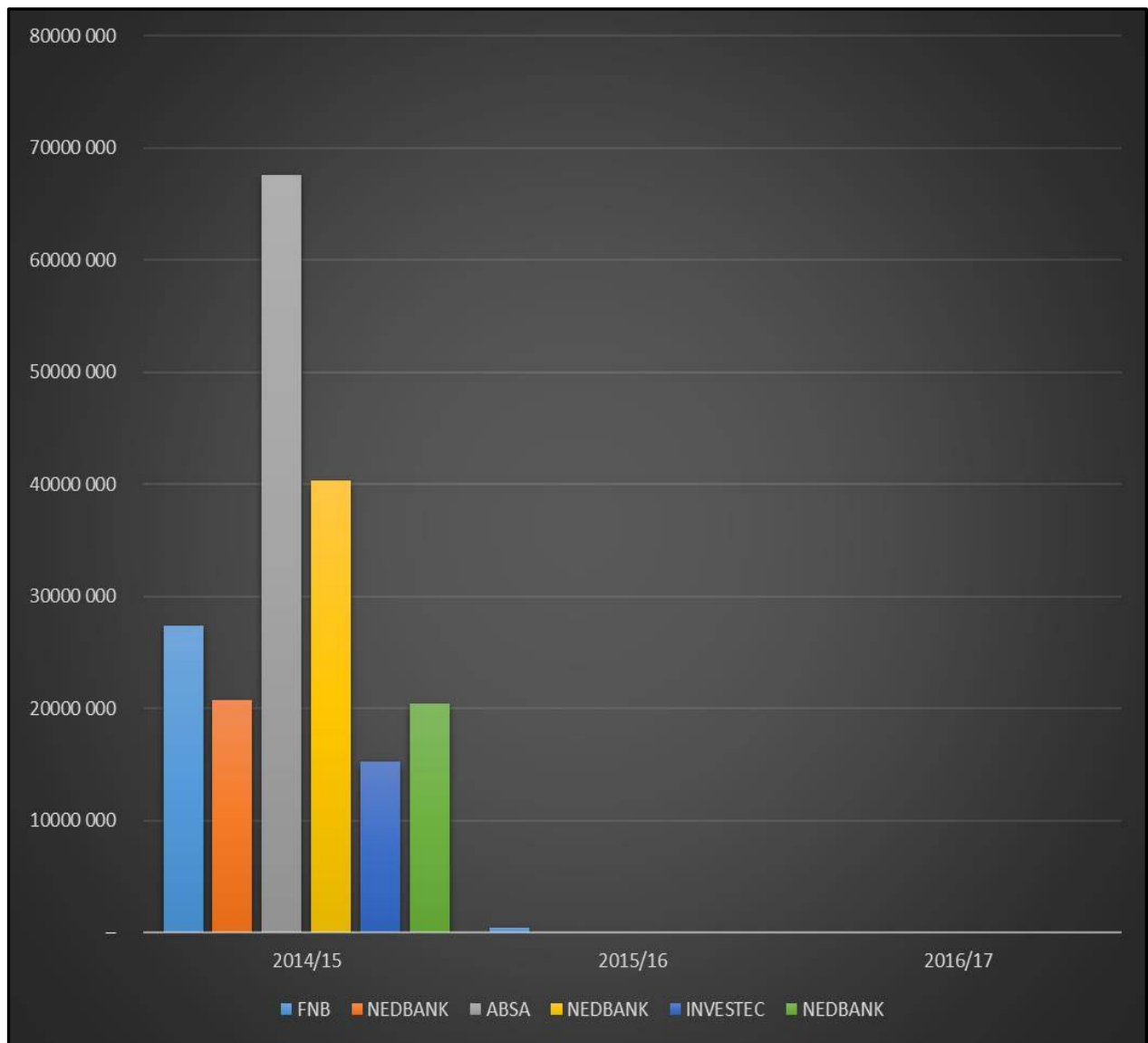
5.9 BORROWING AND INVESTMENT

Actual Borrowings			
Instrument	2014 / 2015	2015 / 2016	2016 / 2017
<u>Municipality</u>			
Long-Term Loans (annuity/reducing balance)	86 866	72 713	57 246
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	86 866	72 713	57 246
<u>Municipal Entities</u>			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Entities Total			
T5.10.2			



Municipal and Entity Investments			
Investment* type	2014 / 2015	2015 / 2016	2016 / 2017
	Actual	Actual	Actual
<u>Municipality</u>			
Deposits - Bank			
FNB	27 429	465	-
NEDBANK	20 791	-	-
ABSA	67 568	-	-
NEDBANK	40 352	-	-
INVESTEK	15 256	-	-
NEDBANK	20 411	-	-
Municipality Total	191 807	465	-
T5.10.4			

*The municipality transferred the short-term investments to the primary bank account at FNB for the year ended 30 June 2016 and 2017.



5.10 SUPPLY CHAIN MANAGEMENT

The West Coast District Municipality has established a fully operational Supply Chain Unit in line with the approved SCM Policy.

No councillor of the municipality is a member of a municipal bid committee or any other committee evaluating or approving tenders, quotations, contracts or other bids, nor attend such meeting as an observer.

The Municipal Regulations on Minimum Competency Levels only indicates the minimum competency levels for Heads and Managers in Supply Chain Management and do not make reference to the minimum competency levels for SCM officials who are not in management positions.

The Senior SCM Manager, one (1) Senior SCM Practitioner and two (2) SCM Official comply with the prescribed minimum competency levels.

The other SCM officials have the required minimum years of relevant SCM working experience as required by their job functions. They also have the qualifications related to their job functions and have a general understanding of the Municipality's SCM Policy and SCM procedures.

5.10: Employees: Financial Services – Supply Chain Management

Job level	2015/2016	2016/2017			
	Employees (N)	Posts (N)	Employees (N)	Vacancies: full-time equivalent (N)	Vacancies (% of total posts)
0-3	0	0	0	0	
4-6	0	0	0	0	
7-9	8	8	8	0	
10-12	0	0	0	1	9.09 %
13-15	1	1	1	0	
16-18	1	1	1	0	
19-20	0	0	0	0	
Total	10	10	11	1	
					15.10

INTRODUCTION

The Constitution Section 188(1)(b) states that the functions of the Auditor-General include the auditing of and reporting on the accounts, financial statements and financial management of all municipalities. The Local Government: Municipal Systems Act, Act 32 of 2000, Section 45 states that the results of performance measurement must be audited annually by the Auditor-General.

The West Coast District Municipality received clean audit reports for the financial years from 2010/2011 to 2016/2017.

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS

6.1 AUDITOR-GENERAL REPORT 2014/2015

Report of the auditor-general to the Western Cape Provincial Parliament and the council on West Coast District Municipality

Report on the financial statements

Introduction

1. I have audited the financial statements of the West Coast District Municipality set out on pages 3 to 94 which comprise the statement of financial position as at 30 June 2015, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2014 (Act No. 10 of 2014) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Report on other legal and regulatory requirements

13. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading, but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

14. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected objective presented in the annual performance report of the municipality for the year ended 30 June 2015:
- Strategic objective: providing essential bulk services to the district on pages 16 to 17
15. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
16. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned objective. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information*.
17. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

Usefulness and reliability of reported performance information

18. I did not identify material findings on the usefulness and reliability of the reported performance information for the strategic objective as stated in paragraph 14 above.

Additional matters

19. I draw attention to the following matters:

Achievement of planned targets

20. Refer to the annual performance report on pages 15 to 17 for information on the achievement of the planned targets for the year.

Adjustment of material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information for providing essential bulk service to the district objective. As management subsequently corrected the misstatements I did not raise any material findings on the usefulness and reliability of the reported performance information.

Unaudited supplementary information

22. The supplementary information set out on pages 3 to 7 does not form part of the annual performance report and is presented as additional information. I have not audited this information and, accordingly, I do not report thereon.

Compliance with legislation

23. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Internal control

24. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

Auditor-General
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Cape Town

30 November 2015



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Report of the auditor-general to the Western Cape Provincial Parliament and the council on the West Coast District Municipality

Report on the financial statements

Introduction

1. I have audited the financial statements of the West Coast District Municipality set out on pages 1 to 93, which comprise the statement of financial position as at 30 June 2016, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2015 (Act No. 1 of 2015) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the West Coast District Municipality as at 30 June 2016 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

8. As disclosed in note 27 to the financial statements, the corresponding figures for 30 June 2015 have been restated as a result of an error discovered during the year ended 30 June 2016 in the financial statements of the municipality at, and for the year ended, 30 June 2016.

Material underspending of the budget

9. As disclosed in the statement of comparison of budget and actual information, the municipality materially underspent the operational budget by R39 450 000. This was due to a total amount of R43 531 669 having been received between 11 February 2016 and 30 June 2016 from the Department of Transport and Public Works for the construction and repair of the district's roads.

Additional matters

10. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited supplementary schedules

11. The supplementary information set out on pages 94 to 111 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Unaudited disclosure notes

12. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

Report on other legal and regulatory requirements

13. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading, but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

14. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected objective presented in the annual performance report of the municipality for the year ended 30 June 2016:
- Strategic objective: providing essential bulk services to the district on pages 10 to 11
15. I evaluated the usefulness of the reported performance information to determine whether it was consistent with the planned objective. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPI).
16. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
17. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following objective:
- Strategic objective: providing essential bulk services to the district

Additional matters

18. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected objective, I draw attention to the following matters:

Achievement of planned targets

19. Refer to the annual performance report on pages 8 to 12 for information on the achievement of the planned targets for the year.

Unaudited supplementary schedules

20. The supplementary information set out on pages 4 to 7 and pages 13 to 15 does not form part of the annual performance report and is presented as additional information. I have not audited these schedules and, accordingly, I do not report thereon.

Compliance with legislation

21. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Internal control

22. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

Auditor-General

Cape Town

30 November 2016



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Other matters

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named disclosure note

In the opinion of the M&MA the financial information disclosed
 is fair and does not contain any material misstatements or omissions
 and the M&MA in the financial statement disclosure
 referred to did not or cannot and should not and accordingly do
 not express an opinion thereon.

na d e le en ar c ed le

I have no financial interest in or a financial relationship with any person or organization that may be a direct or indirect provider of services to the patient, or that may be a provider of services to the patient's family, or that may be a provider of services to the patient's community. I have no financial interest in or a financial relationship with any person or organization that may be a direct or indirect provider of services to the patient, or that may be a provider of services to the patient's family, or that may be a provider of services to the patient's community. I have no financial interest in or a financial relationship with any person or organization that may be a direct or indirect provider of services to the patient, or that may be a provider of services to the patient's family, or that may be a provider of services to the patient's community.

Responsibilities of the accounting officer

The accounting officer responsible for the preparation and presentation of the financial statements in accordance with IAS and the relevant provisions of the MAA and oA or other internal control and the accounting officer determine the necessary to enable the preparation of financial statements free from material misstatement either due to fraud or error.

in return the financial sale enables the accounting officer to remain able to finance the Coeur d'Alene Municipality's ability to continue a public concern disclosed in a public sale after relation to public concern and in the public concern based on accounting rule the accounting officer's intention is to liquidate the financial or to cease operation or a no real alternative but to do so

Auditor-general's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error, and to issue an auditor's report that includes our opinion on reasonable assurance at a high level of assurance. We do not provide a guarantee that an audit conducted in accordance with AICPA standards will detect all material misstatements. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A further declaration on reasonable or the additional financial value included in the annexure to the auditor's report

Other matter

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Achievement of planned targets

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Report on audit of compliance with legislation

Introduction and scope

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Other information

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Internal control deficiencies

When considered internal control relevant to a particular financial statement, the auditor should identify and report on errors or deficiencies in internal control and compliance with applicable legislation or other objectives that may expose an entity to a risk of material misstatement that would not be detected by the internal control system.

Auditor-General

Cape Town

11 October 2018



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

[illegible]

Financial statements

☐ In addition to the responsibility for the addressees financial statements as described in the auditor's report, I also:

- identify and assess the risk of a material misstatement in the financial statements either due to fraud or error; determine and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for a conclusion on the risk of no detection; a material misstatement is one that, in the context of the financial statements taken as a whole, could influence the economic decisions of users taken on the basis of the financial statements; intentional misstatements, misstatements due to error, and misstatements due to fraud are all misstatements; the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances; but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and related disclosures made by the accounting officer
- conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements; also conclude based on the audit evidence obtained whether a material uncertainty exists related to events or conditions that may cause the entity to cease or cease to operate; if a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if disclosures are inadequate, to modify the opinion on the financial statements; My conclusions are based on the information available to me as at the date of the auditor's report. However, future events or conditions may cause the entity to cease or cease to operate; a going concern
- evaluate the overall presentation, structure and content of the financial statements including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that is fair presentation

Communication with those charged with governance

[illegible]

It also confirms to the accounting officer that the consolidated financial statements are prepared in accordance with the relevant accounting standards and that the accounting officer has taken all reasonable steps to ensure that the financial statements are a true and fair representation of the company's financial position and performance.

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “full and regular” reports on the matters under their control to Parliament and provincial legislatures, as prescribed by the Constitution. These documents include plans, budgets, in-year reports and annual reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe ‘what we do’.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the MFMA. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved budget	The annual financial statements of a municipality as audited by the Auditor-General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life for citizens within that particular area. If not provided, it may endanger public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.

Distribution indicators	The distribution of capacity to deliver services.
Financial statements	These include at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General performance indicators (KPIs) key	After consultation with MECs for local government, the minister may prescribe general KPIs that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are 'what we use to do the work'. They include finances, personnel, equipment and buildings.
Integrated development plan (IDP)	Sets out municipal goals and development plans.
National performance areas key	<ul style="list-style-type: none"> • Service delivery and infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are 'what we wish to achieve'.
Outputs	The final products or goods and services produced for delivery. Outputs may be defined as 'what we produce or deliver'. An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunisation or a service such as processing an application) that contributes to the achievement of a key result area.
Performance indicator	31 October 2014

Performance information	Generic term for nonfinancial information about municipal services and activities. Can also be used interchangeably with 'performance measure'.
Performance standards	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service level agreements. Performance standards are mutually agreed-upon criteria to describe how well work must be done in terms of quantity and/or quality and how promptly, in order to clarify the outputs and related activities of a job by describing what the required result should be. In this employee performance management and development system, performance standards are divided into indicators and the time factor.
Performance targets	The level of performance that municipalities and their employees strive to achieve. Performance targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services, including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a 'vote' as</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.</i></p>

APPENDIX A – COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, committees allocated and Council attendance					
Council members	Full-time / Part-time	Committees allocated	Ward and/or party represented	Council meetings attendance	Apologies for non-attendance
SA Gxabalashe	Proportional	Portfolio Committee Administration and Community Services Secundus: SALGA: Capacity Building and Institutional Resilience	ANC	6	2
R Skei	Proportional	Portfolio Committee Strategic Support and Economic Development Chairperson: MPAC (Municipal Public Accounts Committee) Secundus: SALGA: Economic Empowerment and Employment Creation	ANC	6	2
F Kamfer	Proportional	Portfolio Committee Infrastructure Services Secundus: SALGA: Community Development and Social Cohesion	ANC	8	0
RW Strydom	Proportional	Deputy Executive Mayor Ex Officio : All Committees Local Labour Forum SALGA: Governance and Intergovernmental Relations IDP Coordinating Committee (IDPCC)	DA	7	1
JH Cleophas	Proportional	Executive Mayor Ex officio: All Committees SALGA: PEC (Provincial Executive Committee) Member IDP Coordinating Committee (IDPCC)	DA	8	0

HJ van der Hoven	Proportional	<p>Executive Mayoral Committee Member</p> <p>Portfolio Committee Strategic Support and Economic Development</p> <p>Portfolio Infrastructure Services</p> <p>SALGA: Water, Sanitation and Waste Management</p> <p>Secundus: SALGA: Environmental Planning and Climate Resilience</p> <p>West Coast Regional Tourism Organisation (RTO)</p>	DA	7	1
RE Swarts	Proportional	<p>Speaker</p> <p>Ex officio: Executive Mayoral Committee</p> <p>Ex officio: All Committees</p> <p>SALGA: Capacity Building and Institutional Resilience</p> <p>Secundus: SALGA: Governance and Intergovernmental Relations</p> <p>Appeal Authority</p>	DA	8	0
C Erasmus	Proportional	<p>Portfolio Committee Administration and Community Services</p> <p>Portfolio Committee Finance</p> <p>Greater Cederberg Biodiversity Corridor</p> <p>MPAC (Municipal Public Accounts Committee)</p>	DA	4	4
J Alexander	Proportional	<p>Portfolio Committee Infrastructure Services</p> <p>Portfolio Committee Administration and Community Services</p> <p>SALGA: Human Settlements and Municipal Planning</p> <p>Secundus: SALGA: Water, Sanitation and Waste Management</p>	DA	8	0

JJ Hoop	Proportional	Portfolio Committee Administration and Community Services Portfolio Committee Finance SALGA: Municipal Innovations and Information Technology Secundus: SALGA: Municipal Finance and Fiscal Policy MPAC (Municipal Public Accounts Committee)	DA	8	0
NM Ngobo	Appointed Matzikama Municipality	Portfolio Committee Infrastructure Services	ANC	7	1
M Carosini	Appointed Matzikama Municipality	Portfolio Committee Infrastructure Services IDP: Local Municipalities (Matzikama Municipality)	DA	8	0
NS Qunta	Appointed Cederberg Municipality	None	ANC	1	0
J Meyer	Appointed Cederberg Municipality	Executive Mayoral Committee Member Chairperson: Portfolio Committee Strategic Support and Economic Development Local Labour Forum SALGA: Economic Empowerment and Employment Creation Secundus: SALGA: Public Transport and Roads IDP: Local Municipalities (Cederberg Municipality) West Coast Regional Tourism Organisation (RTO)	DA	7	1
SIJ Smit	Appointed	Portfolio Committee Finance	ANC	6	2

	Bergvriër Municipality				
AJ du Plooy	Appointed Bergvriër Municipality	Portfolio Committee Strategic Support and Economic Development Portfolio Committee Infrastructure Services IDP: Local Municipalities (Bergvriër Municipality)	DA	7	1
EB Mankay	Appointed Saldanhabay Municipality	Portfolio Committee Administration and Community Services	ANC	6	2
E Nackerdien	Appointed Saldanhabay Municipality	Portfolio Committee Finance SALGA: Environmental Planning and Climate Resilience Secundus: SALGA: Human Settlements and Municipal Planning	ANC	5	3
FJ Schippers	Appointed Saldanhabay Municipality	Executive Mayoral Committee Member Chairperson: Portfolio Committee Finance Local Labour Forum SALGA: Municipal Finance and Fiscal Policy Secundus: SALGA: Municipal Innovations and Information Technology Appeal Authority	DA	8	0
M Schrader	Appointed Saldanhabay Municipality	Portfolio Committee Finance Portfolio Committee Strategic Support and Economic Development IDP: Local Municipalities (Saldanha Bay Municipality) West Coast Biosphere Reserve West Coast Coastal Management Committee	DA	8	0

SM Scholtz	Appointed Municipality	Portfolio Committee Finance SALGA: Women's Commission	DA	6	2
BJ Penxa	Appointed Municipality	Portfolio Committee Strategic Support and Economic Development	ANC	7	1
BJ Stanley	Appointed Municipality	Executive Mayoral Committee Member Chairperson: Portfolio Committee Infrastructure Services Local Labour Forum SALGA: Public Transport and Roads Appeal Authority Expanded Public Works Programme (EPWP)	DA	7	1
VD McQuire	Appointed Municipality	Executive Mayoral Committee Member Chairperson: Portfolio Committee Administration and Community Services Local Labour Forum SALGA: Community Development and Social Cohesion	DA	8	0
N Smit	Appointed Municipality	Portfolio Committee Administration and Community Services Portfolio Committee Strategic Support and Economic Development IDP: Local Municipalities (Swarthland Municipality)	DA	8	0

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

B.1 COMPREHENSIVE POLITICAL OVERSIGHT IS CONDUCTED WITHIN THE MUNICIPALITY CURRENTLY

As committee members have specialised skills or are able to develop them, the quality of the work done by committees is potentially of a higher standard than that of larger structures. A committee's composition is usually representative of all the political parties.

B.2 SECTION 79 AND 80 COMMITTEES

Sections 79 and 80 of the Municipal Structures Act make provision for the creation of non-executive and executive committees. Section 79 committees are nonexecutive committees that may be established for the effective and efficient performance of any of the functions of a municipal council or the exercise of any of its powers, provided that the municipal council determines the functions of a committee and delegates duties and powers to it. The council must appoint the chairperson and may authorise a committee to co-opt advisory members who are not members of the council within the limits determined by the council. The council may also determine a committee's procedure.

Section 80 committees are provided for to assist the executive committee or executive mayor. If a municipal council has an executive committee or executive mayor, it may appoint, in terms of Section 79, committees of councillors to assist the executive committee or executive mayor. Such committees may not in number exceed the number of members of the executive committee or mayoral committee. The executive committee or executive mayor appoints a chairperson for each committee from the executive committee or mayoral committee and may delegate any powers and duties of the executive committee or executive mayor to the committee. Section 80 committees must report to the executive committee or executive mayor in accordance with the directions of the executive committee or executive mayor.

B.4 AUDIT COMMITTEE

Section 166(1) of the MFMA states that "each municipality or municipal entity must have an Audit Committee", and Section 166(4)(a) of the act states that "an Audit Committee must consist of at least three persons with appropriate experience". The Audit Committee of the West Coast District Municipality is an independent advisory body and currently consists of five members who are appointed by Council. With reference to the West Coast District Municipality Audit Charter, the Committee assists Council by providing inputs to ensure effective systems that complement service delivery, safeguard municipal assets, maintain financial records, enhance risk management and corporate governance, and provide an effective internal control system. The Audit Committee also investigates matters within the scope of the Committee's duties if referred to these by Council or the Municipal Manager.

In short, the Audit Committee provides independent specialist advice on financial performance, efficiency and effectiveness, performance management and compliance with legislation.

B.4 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

MPACs are established in terms of Section 79 (as opposed to Section 80) of the Municipal Structures Act as they are meant to assist council. MPACs will assist council to hold the executive to account and to ensure efficient and effective use of municipal resources.

The purpose of the MPAC is to serve as an oversight committee to exercise oversight over the executive obligations of council. By so doing, the MPAC will help to increase council and public awareness of the financial and performance issues of the municipality.



The MFMA assigns specific oversight responsibilities to council with regard to the annual report and the preparation of an oversight report. The MPACs primary role will be to consider the annual report, receive input from various role players and prepare a draft oversight report for consideration by council.

The primary functions of MPACs are to consider and evaluate the content of the annual report and to make recommendations to council when adopting an oversight report on the annual report, evaluate in-year and mid-year assessments and examine the Annual Financial Statements and Audit reports. In doing so, the MPAC must consider improvements from previous statements and reports and must evaluate the extent to which the audit committee and the Auditor-General's recommendations have been implemented and other matters pertaining to MPACs.

The MPAC is responsible for the detailed analysis and review of the annual report and then for drafting an Oversight report that are taken to full council for discussion. Such a committee may receive and review representations made by the public.

APPENDIX C – THIRD TIER ADMINISTRATIVE STRUCTURE

Third tier structure		
Directorate	Designation	Official
Office of the Municipal Manager	Senior Manager: Strategic Services	Mr FE Williams
	Senior Manager: Human Resources	Dr H Brand
	Manager: Training and Development	Mrs T Steinmann
	Manager Internal Audit	Mr A Adams
	Manager: Community and Social Development	Mrs M Blanckenberg
	Manager: Tourism	Mrs H Van Rooyen
Administration and Community Services	Senior Manager: Municipal Environmental Health	Mr N de Jongh
	Regional Manager: Municipal Environmental Health	Mr P Reynders (Matzikama) Mr H De Wee (Cederberg) Mr A Scott (Malmesbury) Mr A Parring (Saldanha) Mr C Kotze (Bergrivier)
	Manager: Air Quality Control	Mr G Manuel
	Manager: Administration	Mrs P (Z) Jacobs
	Disaster Management Manager	Mrs S Visser
	Chief Fire Officer	Mr B Senekal
Financial Services	Senior Manager: Financial Statements, Reporting and Asset Control	Mr P April
	Senior Manager: Income and Expenditure	Mr J Jonker
	Senior Manager: Supply Chain Management	Mr M Markus
	Manager: Information Technology	Mr H Matthews
Technical Services	Senior Manager: Roads	Mr D Van Der Westhuizen
	Senior Manager: Water Supply	Mr N Faasen
	Manager: Roads Construction and Maintenance	Mr M Visser
	Manager: Water Purification and Plant Support	Mr B van der Merwe
	Manager: Electrical and Instrumentation Services	Mr J van der Merwe
T C		

APPENDIX D – FUNCTIONS OF MUNICIPALITY/ENTITY

Municipal functions		
Municipal functions	Function applicable to Municipality (Yes/No)	Function applicable to entity (Yes/No)
Constitution Schedule 4, Part B functions		Not applicable
Air pollution	Yes	
Building regulations	Yes	
Childcare facilities		
Electricity and gas reticulation		
Firefighting services	Yes	
Local tourism	Yes	
Municipal airports		
Municipal planning	Yes	
Municipal health services	Yes	
Municipal public transport		
Municipal public works – only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under the Constitution and any other function such as the maintenance of pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related		
Storm water management systems in built-up areas		
Trading regulations		
Water and sanitation services limited to potable water supply systems and domestic waste water and sewage disposal systems	Yes	
Beaches and amusement facilities	Yes	
Billboards and the display of advertisements in public places		
Cemeteries, funeral parlours and crematoria		
Cleansing		
Control of public nuisances	Yes	
Control of undertakings that sell food to the public	Yes	
Facilities for the accommodation, care and burial of animals		
Fencing and fences		
Licensing of dogs		

Control of undertakings that sell food to the public	Yes	
Local amenities – Ganzekraal Holiday Resort	Yes	
Local sport facilities		
Markets		
Municipal abattoirs		
Municipal parks and recreation		
Municipal roads		
Noise pollution	Yes	
Pounds		
Public places		
Refuse removal, refuse dumps and solid waste disposal	Yes	
Street trading		
Street lighting		
Traffic and parking		

APPENDIX E – WARD REPORTING

Not applicable to the District Municipality



APPENDIX F – WARD INFORMATION

Not applicable to the District Municipality.

APPENDIX G – RECOMMENDATIONS OF THE AUDIT COMMITTEE

Date of Committee Meeting	Committee recommendations during 2015/2016	Recommendation adopted (Yes); not adopted (provide explanation)
26 August 2016	Changes to the Internal audit and Audit committee charter needs to be highlighted before it is reviewed by the committee.	Yes
26 August 2016	The Disciplinary report should contain what type of misconduct the official was charged with.	Yes
6 December 2016	The Disciplinary report should also contain the financial effect (if applicable) of the misconduct the official was charged with.	Yes
6 December 2016	Declaration of Private work needs to be included in each meeting	Yes
21 February 2017	That the Auditor General management report and Audit Report be included in the agenda when it becomes available.	Yes
21 February 2017	That a standing item be presented in the audit committee agenda to monitor management action plans of the external findings found by the Auditor General.	Yes
22 June 2017	That each year during the August committee meeting, only the draft Annual report (including the draft annual financial statements) and annual performance report be presented to the committee for review.	Yes

APPENDIX H- LONG TERMS CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Contracts (20 Largest Contracts Entered into 2016/2017)					
Name of Service Provider (Entity of Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry Date of Contract	Project Manager	Contract Value R' 000
West Coast Builders	Supply and delivery of crushed stone and associated products	01/07/2016	30/06/2018	Roads Department	R 8 728 943.10 (1st year)
Afrifel CC	Supply and delivery of crushed stone and associated products	01/07/2016	30/06/2018	Roads Department	R 852 305.33 (1st year)
Aveng Infraset Africa	Supply and delivery of concrete pipes and culverts	01/07/2016	30/06/2018	Roads Department	R 729 435.20 (1st year)
West Coast Builders	Supply and delivery of ironstone gravel	01/07/2016	30/06/2016	Roads Department	R 8 624 448.00 (1st year)
Afrifell CC	Supply and delivery of ironstone gravel	01/07/2016	30/06/2018	Roads Department	R 442 139.49 (1st year)
Startune (Pty) Ltd	Supply and delivery of grader blades	01/07/2016	30/06/2018	Roads Department	R 439 291.02(1st year)
Equipment Spares Parts (Africa) (Pty) Ltd	Supply and delivery of grader blades	01/07/2016	30/06/2018	Roads Department	R 677 151.45 (1st year)
Trentyre (Pty) Ltd	Supply and delivery of new tyres, retreading of tyres and subsidiary services, Cederberg and Matzikama area	01/07/2016	30/06/2018	Various departments	R 1 592 795.85 (1st year)
Erasmus Tyres CC	Supply and delivery of new tyres, retreading of tyres and subsidiary	01/07/2016	30/06/2018	Various departments	R 645 613.39 (1st year)

	services, Swartland and Saldanha area				
Nu – Way Enterprises CC	Supply and delivery of traffic control signs	01/07/2016	30/06/2018	Roads Department	R 423 414.72 (1st year)
SOS Oil and Lubricant Distributors (Pty) Ltd	Supply and bulk delivery of oils and lubricants	01/07/2016	30/06/2018	Various Department	R 614 475.16 (1st year)
Swift Silliker (Pty) Ltd	Bacteriological analysis of samples	01/10/2016	30/06/2019	N de Jongh	R 463 360.98 (1st 9 months)
Colas SA (Pty) Ltd	Supply, delivery and spray of MC 3000 prime for the West Coast DM	01/12/2016	30/06/2018	Roads Department	R 2 083 916.83 (1st 7 months)
Various Suppliers	Hire of mechanical equipment and construction plant	01/02/2017	30/06/2018	Roads Department	R 2 444 103.36 (1st 5 months)
Nexia – SAB & T	Risk Management Services	01/02/2017	30/06/2019	Internal Audit Department	R 253 011.60 (1st 5 months)
Startune (Pty) Ltd	Supply and delivery of protective clothing and footwear	01/01/2017	30/06/2019	Roads Department	R 353 282.35 (1st 6 months)
Vida E- Sport (Pty) Ltd	Supply and delivery of protective clothing and footwear	01/01/2017	30/06/2019	Roads Department	R 151 616.35 (1st 6 months)
Sparks & Ellis	Supply and delivery of Fire Services station wear	01/01/2017	30/06/2019	Fire Department	R 575 229.60 (1st 6 months)
Stevenridge CC	Supply and deliver of human protective clothing and equipment	01/01/2017	30/06/2019	Fire Department	R 93 744.97 (1st 6 months)
Marce (Pty) Ltd	Supply and deliver of human protective clothing and equipment	01/01/2017	30/06/2019	Fire Department	R 108 889.60 (1st 6 months)
Namakwa Kontrakteurs (Pty) Ltd	Erecting of fencing in the West Coast DM area	01/02/2017	30/06/2018	Roads Department	R 344 485.00 (1st 5 months)

W N Samuels	Supply and delivery of G5 subbase material	01/04/2017	30/06/2018	Roads Department	R 362 961.00 (1st 2 months)
Mzantzi Koloni Electronics	Supply and delivery of radio equipment as well as upgrade of the existing communication system for the West Coast DM	01/06/2017	30/06/2019	Water and Fire Departments	R 361 590.90 (1st month)

No Public Private Partnerships at the West Coast District Municipality.

APPENDIX I – SERVICE PROVIDER PERFORMANCE SCHEDULE



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Summary Report: Contract(s) Awarded

From:

2016/07/21 12:00:00 AM

Award Date:

To:

2017/06/30 12:00:00 AM

Department	Contract Identifier	Commodity Description	Supplier	BEE Status	Source Method	Contract Value	Lowest Acceptable Bid Value	Premium Paid Value	Expansion Value
Municipalities/Western Cape/West Coast	WDM 55/2016	Administration and Assistance in the Implementation of National Treasury's MFMIIP	Ignite HRM Connect	Level 4	Competitive Bids	R 388 950.00	R 388 950.00	-	R 388 950.00
	6/5/2/128	Building of Wingwalls at Muisbosskerm	IOMU	Level 1	Price Quotations	R 146 489.54	R 146 489.54	-	R 146 489.54
	6/5/2/128	Building of Wingwalls at the Warmbad Road	Isiku Construction	Level 1	Price Quotations	R 101 232.00	R 101 232.00	-	R 101 232.00
	6/5/2/50	Credit Rating Services	Global Credit Rating CO	Non-compliant contributor	Price Quotations	R 131 100.00	R 131 100.00	-	R 131 100.00
	6/5/2/56	Hire of 16 000 Litre Water Truck in Aurora/Redelinghuys Area	West Coast Builders	Level 1	Price Quotations	R 145 350.00	R 145 350.00	-	R 145 350.00
	6/5/2/56	Hire of 16 000 Litre Water Truck in Vredenburg Area	West Coast Builders	Level 1	Price Quotations	R 145 350.00	R 145 350.00	-	R 145 350.00



	6/5/2/56	Hire of 20 Ton Excavator for works in lambertsbay Area	West Coast Builders	Level 1	Price Quotations	R 167 580.00	R 167 580.00	-	R 167 580.00
	6/5/2/56	Hire of 20 ton Excavator in Citrusdal & Cederberg area	West Coast Builders	Level 1	Price Quotations	R 167 580.00	R 167 580.00	-	R 167 580.00
	6/5/2/56	Hire of 30 ton Excavator for works on the Olofbergh Road	T & F Construction	Level 2	Price Quotations	R 116 850.00	R 116 850.00	-	R 116 850.00
	6/5/2/270	Hire of Chemical toilets	Boland Toilets Services	Non-compliant contributor	Price Quotations	R 111 790.19	R 111 790.19	-	R 111 790.19
	6/5/2/270	Hire of Chemical Toilets	Boland Toilet Services	Level 4	Price Quotations	R 198 257.34	R 198 257.34	-	R 198 257.34
	6/5/2/56	Hire of Excavator and Dump Trucks for works at Drilrivier/Agter Pakhuis	Smit Ingenieurswerke & Transport	Non-compliant contributor	Price Quotations	R 113 715.00	R 113 715.00	-	R 113 715.00
	6/5/2/56	Hire of Excavator for works at Middelbergpas, Citrusdal	T & F Construction	Level 2	Price Quotations	R 136 230.00	R 136 230.00	-	R 136 230.00
	6/5/2/56	Hire of Excavator for works in Lambertsbay	T & F Construction	Level 2	Price Quotations	R 161 424.00	R 161 424.00	-	R 161 424.00
	6/5/2/56	Hire of Excavator in Moorreesburg area	Lelieblom Grondverskuiwing	Level 2	Price Quotations	R 165 000.00	R 165 000.00	-	R 165 000.00
	6/5/2/56	Hire of Excavator in VanRhynsdorp area	T & F Construction	Level 2	Price Quotations	R 139 764.00	R 139 764.00	-	R 139 764.00
	6/5/2/56	Hire of Grader for works in Ratelfontein area	Mpeke Plant Hire	Level 1	Price Quotations	R 150 480.00	R 147 744.00	R 2 736.00	R 150 480.00

	6/5/2/56	Hire of Machinery for works at Drilrivier	Smit Ingenieurswerke	Non-compliant contributor	Price Quotations	R 113 715.00	R 113 715.00	-	R 113 715.00
	6/5/2/56	Hire of Machinery for works at Misverstand Road	T & F Construction	Level 2	Price Quotations	R 102 486.00	R 102 486.00	-	R 102 486.00
	6/5/2/56	Hire of Mechanical broom for work in Van Rhynsdorp Area	Tranacon Construction	Non-compliant contributor	Price Quotations	R 102 600.00	R 102 600.00	-	R 102 600.00
	6/5/2/56	Hire of Self-driven Mechanical Broom for works in Citrusdal & Lambertsbay area	Isiku Construction	Level 1	Price Quotations	R 122 094.00	R 122 094.00	-	R 122 094.00
	6/5/2/56	Hire of Selfpropelled Motorised Road Grader in Vredenburg Area	Lelieblom Grondverskuiwing	Level 2	Price Quotations	R 135 000.00	R 135 000.00	-	R 135 000.00
	6/5/2/56	Hire of Selfpropelled Water Trucks for works in Lambertsbay/Vredendal area	Lexintons Civil & Plant	Level 2	Price Quotations	R 109 440.00	R 109 440.00	-	R 109 440.00
	6/5/2/56	Hire of Vibrate roller for works in Lambertsbay	T & F Construction	Level 2	Price Quotations	R 154 755.00	R 154 755.00	-	R 154 755.00
	6/5/2/56	Hire of Water Trucks for works in Ratelfontein area	T & F Construction	Level 2	Price Quotations	R 136 800.00	R 136 800.00	-	R 136 800.00
	6/5/2/56	Hire of Water Trucks for works in Vredenburg Area	T & F Construction	Level 2	Price Quotations	R 114 912.00	R 114 912.00	-	R 114 912.00
	6/5/2/331	Installation of Rain Water Tanks at VanRhynsdorp	Mawa Trading	Level 1	Price Quotations	R 180 000.00	R 180 000.00	-	R 180 000.00
	6/5/2/315(i)	Land Surveyor services needed at Divisional Road 2178	Joubert & Brink Surveys CC	Level 4	Price Quotations	R 197 163.00	R 197 163.00	-	R 197 163.00

	WDM 33/2014	Provision of Professional services for Rural road Asset Management Systems - Awarded 14/11/2014	V & V Consulting Engineers	Level 3	Deviations	R 2 416 705.00	R 2 416 705.00	-	R 2 416 705.00
	6/5/2/1	Radio Communication - High performance Repeaters	Mzantsi Koloni Electronics	Level 2	Price Quotations	R 118 195.20	R 118 195.20	-	R 118 195.20
	6/5/2/56	Re-evaluation- Hire of Selfpropelled Motorised Road Grader in Aurora/Redlinghuys	West Coast Builders	Level 1	Price Quotations	R 150 822.00	R 150 822.00	-	R 150 822.00
	6/5/2/259	Refurbishment of Butterfly Valves	Elite Investhold t/a Supplyfix	Level 4	Price Quotations	R 179 219.40	R 179 219.40	-	R 179 219.40
	6/5/2/168	Renovations to Houses at Withoogte	Adonis Fencing	Level 1	Price Quotations	R 127 950.00	R 127 950.00	-	R 127 950.00
	6/5/2/291	Repairs and Respray of Fire Fighting Vehicle	R.D Coetzee (Coetzee Coachworks)	Non-compliant contributor	Price Quotations	R 106 060.00	R 106 060.00	-	R 106 060.00
	WDM 49/2016	Risk Management Services from date of appointment to 30 June 2019	Nexia SAB & T	Level 1	Competitive Bids	R 886 464.00	R 886 464.00	-	R 886 464.00
	6/5/2/272	Security Services needed at Lambertsbay Road Camp	Defkor Security Solutions	Level 1	Price Quotations	R 140 400.00	R 140 400.00	-	R 140 400.00
	6/5/2/272	Security Services needed at Municipal Road Camps	Defkor Security Solutions	Level 1	Price Quotations	R 141 480.00	R 141 480.00	-	R 141 480.00
	6/5/2/19	Service and Repair Draeger SCBA Sets and Masks for the 2016/2017 Year	Drager	Level 3	Price Quotations	R 199 991.34	R 199 991.34	-	R 199 991.34
	6/5/2/290	Services needed of a Medical Practitioner	Dr WM van Niekerk	Level 4	Price Quotations	R 135 432.00	R 135 432.00	-	R 135 432.00
	6/5/2/330	Services needed of a Site Agent/Civil Technician	West Coast Builders	Level 1	Price Quotations	R 168 720.00	R 168 720.00	-	R 168 720.00
	WDM 54/2016	Supply and Delivery of 4x4 Bush Pumper Vehicle for Fire Fighting	Shorts Nissan	Level 4	Competitive Bids	R 729 030.00	R 729 030.00	-	R 729 030.00



	6/5/2/19	Supply and Delivery of a Collapsible Dam	Fire Stuff 365 CC t/a Fire 24/7	Non-compliant contributor	Price Quotations	R 121 385.38	R 121 385.38	-	R 121 385.38
	WDM 42/2016	Supply and Delivery of an All-In-One Hazmat Mega Leak Sealing Kit	Quench Atlantic (Pty) Ltd	Level 4	Competitive Bids	R 242 580.60	R 242 580.60	-	R 242 580.60
	6/5/2/76	Supply and Delivery of DN50 Battery Mag Flow Meters	Massive Quantum	Level 1	Price Quotations	R 126 927.60	R 121 706.40	R 5 221.20	R 126 927.60
	WDM 36/2016	Supply and Delivery of Drilling and Development of Groundwater Boreholes in the Vredendal / Lamberts Bay Area	SA Rock Drills	Level 4	Competitive Bids	R 428 539.68	R 428 539.68	-	R 428 539.68
	6/5/2/43	Supply and Delivery of Fencing Material	AWV Project Management	Level 1	Price Quotations	R 137 874.08	R 137 874.08	-	R 137 874.08
	6/5/2/259	Supply and Delivery of Flanged Gate Valves	Nolada 8	Level 1	Price Quotations	R 135 045.54	R 135 045.54	-	R 135 045.54
	6/5/2/165	Supply and Delivery of Gabion Stone at Driehoek in the Cederberg area	WN Samuels	Level 1	Price Quotations	R 188 000.00	R 188 000.00	-	R 188 000.00
	WDM 40/2016	Supply and Delivery of Hoses for Firefighting Purposes	TNT	Level 3	Competitive Bids	R 384 750.00	R 384 750.00	-	R 384 750.00
	6/5/2/284	Supply and Delivery of Hydrated Lime	Kemanzi	Level 1	Price Quotations	R 176 683.36	R 176 683.36	-	R 176 683.36
	WDM 03/2017	Supply and Delivery of one Diesel Powered 3 ton truck	Fuzion Motors	Level 2	Competitive Bids	R 431 000.00	R 431 000.00	-	R 431 000.00

	6/5/2/19	Supply and Delivery of Portable/Fixed Monitors for Fire fighting purposes	CB Agencies	Level 4	Price Quotations	R 131 544.60	R 131 544.60	-	R 131 544.60
	6/5/2/41	Supply and Delivery of Protective Clothing	Elite Investhold t/a Supplyfix	Level 4	Price Quotations	R 115 140.00	R 115 140.00	-	R 115 140.00
	6/5/2/284	Supply and Delivery of Sudfloc at Withoogte	Improchem	Level 3	Price Quotations	R 196 080.00	R 196 080.00	-	R 196 080.00
	6/5/2/333	Supply and Delivery of Tanks at Withoogte	Elite Investhold t/a SupplyFix	Level 1	Price Quotations	R 112 860.00	R 112 860.00	-	R 112 860.00
	6/5/2/347	Supply and Delivery of Telemetry remote terminal units	Altech Alcom Matomo	Non-compliant contributor	Price Quotations	R 144 672.84	R 144 672.84	-	R 144 672.84
	6/5/2/19	Supply and Delivery of Thermal Imaging Cameras	Fremtac	Level 4	Price Quotations	R 199 588.92	R 199 588.92	-	R 199 588.92
	6/5/2/259	Supply and Delivery of Valves at Withoogte	Elite Investhold t/a SupplyFix	Level 1	Price Quotations	R 134 371.80	R 134 371.80	-	R 134 371.80
	6/5/2/259	Supply and Installation of a Control Valve at Darling Pump Station	Elite Investhold t/a SupplyFix	Level 1	Price Quotations	R 141 000.00	R 141 000.00	-	R 141 000.00
	WDM 53/2016	Supply and Installation of an On-Board Computer System for Vehicles in the West Coast District Municipal Area: Withoogte	Ramms Technologies	Level 3	Competitive Bids	R 521 734.95	R 521 734.95	-	R 521 734.95
	6/5/2/298	Supply of Bulk Water (Graafwater area)	GJ van der Westhuizen Boerdery	Non-compliant contributor	Price Quotations	R 188 100.00	R 188 100.00	-	R 188 100.00

	6/5/2/298	Supply of Bulkwater for works in Vaalvlei area	Lexintons Civil & Plant	Level 2	Price Quotations	R 191 520.00	R 191 520.00	-	R 191 520.00
	6/5/2/126	Supply of Clayey Calcrete	West Coast Builders	Level 1	Price Quotations	R 143 640.00	R 143 640.00	-	R 143 640.00
	6/5/2/259	Supply, Installation and Configuration of Points to Links: Repeaters	SupplyFix	Level 4	Price Quotations	R 199 487.46	R 199 487.46	-	R 199 487.46
	6/5/2/352	Supply, Installation and Configuration of Points to Links: Repeaters	West Coast Communications	Level 4	Price Quotations	R 160 412.25	R 160 412.25	-	R 160 412.25
	WDM 38/2016	Supply, Setup and Operation of one H2S Analyser and Meteorological station in Velddrif	Agros Scientific Africa (Pty) Ltd	Level 4	Competitive Bids	R 594 847.41	R 594 847.41	-	R 594 847.41
	6/5/2/111	Training for Code EC Learner and Driver License	Shine the Way Driving School	Level 3	Price Quotations	R 194 620.00	R 194 620.00	-	R 194 620.00
	6/5/2/44	West Coast Tourism Brochure	Your Travel Guide	Non-compliant contributor	Price Quotations	R 139 500.00	R 139 500.00	-	R 139 500.00
Total						R 15 538 482.48	R 15 530 525.28	R 7 957.20	R 15 538 482.48



Detailed Report					
BEE Level	Total Contracts	Total Current Contract Value	Total Acceptable Value	Lowest Bid	Total Premium Paid Value
Level 1	24	R 4 238 393.92	R 4 230 436.72		R 7 957.20
Level 2	14	R 2 213 376.20	R 2 213 376.20		-
Level 3	6	R 3 913 881.29	R 3 913 881.29		-
Level 4	14	R 3 900 192.66	R 3 900 192.66		-
Non-compliant contributor	10	R 1 272 638.41	R 1 272 638.41		-
Total	68	R 15 538 482.48	R 15 530 525.28		R 7 957.20

APPENDIX J – DISCLOSURE OF FINANCIAL INTERESTS: COUNCILLORS

Disclosure of Financial Interest		
Period 1 July 2016 to 02 August 2016		
Position	Name	Description of Financial interest
Executive Mayor	JH Cleophas	Shares and Security: Sasol - Azalo
Member of Executive Mayoral Committee	JJ Josephus	Shares and Security: Porterville Bouers en Josephus Bouers Directorship: Porterville Bouers en Josephus Bouers Employment and Remuneration: Receive allowance as shareholder of abovementioned company
	M Koen	Shares and Security: Boetmar Beleggings (Edms) Pty Directorship: Boetmar Beleggings (Edms) Pty Membership - Close Corporation: Netmar Beleggings BK Trust: Boet Koen Family Trust Financial interest in Business Enterprises: De Huizemark Eiendomme
	BJ Stanley	None
	WD Loff	None
	AP Mouton	None
Speaker	A Kruger	Shares and Security: Sanlam Shares and Security: Old Mutual
Councillor	J Swart	Shares and Security: Jeffnick 50% Membership - Close Corporation: TKC; Nu-era Security Company 50% Directorship: Nu-era Security Company Interest in Property: 59 Long Street, 42 Buitengracht Street, 41 Loerie Street, Porterville and 20 Buitekant Street, Vanrhynsdorp

	R Skei	Other-Business Enterprises: Lindiwe Logistic Services & Freight Directorship: Saldanha Black Business Women Association Shares and Security: Lindiwe Logistic Services & Freight
	A Sindyamba	Interest in Property: Sonneblom Street, Erf 839; and Aster Street, Erf 863
	NG Delport	Shares and Security: JOSDO (Pty) Ltd
	CH Heyns	Shares and Security: Paardeberg Wynboere Koöperasie Directorship: Perdeverg Wynboere Koöperasie Beperk Trust: Heyns Family Trust - Arnaud Partnership: PJ Heyns (Father) and CH Heyns - Arnaud
	E Plaatjies	Directorship: Vital Connections Employment and Remuneration: Part-time West Coast College Vredenburg campus Partnership: Biko & Plaatjies Pty Ltd
	M Smit	None
	CJ Snyders	None
	SR Claassen	Membership - Close Corporation: SR Claassen Consulting CC Membership - Close Corporation: TWC Consulting (TWC Peak IV CC)
	J Barnard	None
	JJ Fransman	None
	EL Mgingqi	Shares and Security: SAB Other: Business Enterprises: Elias Eyona Yona Tavern
	JJ Cilliè	None
	ST Vries	Directorship: Inyameko Trading CC
	NV Mgoqi	Membership - Close Corporation: Ezakwantu Creations

		<p>Shares and Security: NV Mgoqi Transport, MTN (Welkom Yizani), Old Mutual</p> <p>Directorship: Vivid Minds (Pty) Ltd</p>
	NJA Rust	<p>Shares and Security: SK Handelshuis, Pioneer Foods, ABSA, Nedcor, Old Mutual, RMBH, Sanlam</p> <p>Trust: Rust Family Trust</p>
	NS Zatu	<p>Partnerships: Vemma Brand Partners, SOLAL Network Marketing</p> <p>Other: Soyaxova Construction (Pty) Ltd</p>

Disclosure of Financial Interest		
Period 02 August 2016 to 30 June 2017		
Position	Name	Description of Financial interest
Executive Mayor	JH Cleophas	Shares and Security: Sasol – Azalo Cleo Holdings Directorship: Cleo Holdings
Member of Executive Mayoral Committee	RW Strydom	Interest in Property: Student flat in Potchefstroom
	FJ Schippers	Membership - Close Corporation: Phalafala Farming CC (Reg. no. 2008/261 467/23)
	BJ Stanley	None
	J Meyer	None
	VD McQuire	None
Speaker	R Swarts	None
Councillor	SA Gxabalashe	None
	R Skei	Other-Business Enterprises: Lindiwe Logistic Services & Freight Directorship: Saldanha Black Business Women Association Shares and Security: Lindiwe Logistic Services & Freight
	F Kamfer	Membership - Close Corporation: FK Projects Sharon Services and Projects Directorship: FA Verpakkers FK Projects, Sharon Services and Projects Employment and remuneration: Dhadhla
	HJ van der Hoven	Trust: Trust member – Rondeberg Trust (No financial interest) Trust member – Estate of PA Gouws (No financial interests)

		Employment and remuneration: Executive Manager: Landbou Gemeenskap Ontwikkeling (LGO) – NPO nr 169/153 Reg nr 2013/228586/08
	C Erasmus	None
	J Alexander	Shares and Security: Atlantic Sport Bar Membership - Close Corporation: ILSANI Holdings CC Employment and remuneration: Atlantic Sport Bar
	J Hoop	None
	NM Ngobo	None
	M Carosini	Shares and Security: Cadiz; Prodential; ADSA
	NS Qunta	Directorship: Senzwa Construction
	SIJ Smit	Other financial interest in any business: Owner liquor license
	AJ du Plooy	Membership - Close Corporation: BAAPA Construction
	EB Mankay	Shares and Security: Skhokele Projects Directorship: Skhokele Projects
	E Nackerdien	None
	M Schrader	Interest in property: Koperfontein 346/12 Matzikama Farm
	SM Scholtz	None
	BJ Penxa	None
	N Smit	Directorship: Sminic's Dire Inn (Pty) Ltd
	D Smit	Directorship: Director Teleios Holdings (Pty) Ltd

APPENDIX J2 – DISCLOSURE OF FINANCIAL INTERESTS: SECTION 57 OFFICIALS

Disclosure of financial interest		
Period 1 July 2016 to 30 June 2017		
Position	Name	Description of financial interest
Municipal manager	HF Prins	1) Yizani Shares valued at R 500 2) Property investment R 60.00 3) Own Property valued at R 1 950 000
Chief Financial Officer	J Koekemoer	1) One Property valued at R 707 000
Director: Administration and Community Services	W Markus	1) +/- 50 shares in Media 24 2) Three properties with a total value of R 950 000
Director: Technical Service	H Matthee	1) Three Properties valued at R 2 602 000

APPENDIX K – REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (I): REVENUE COLLECTION PERFORMANCE BY VOTE FINANCIAL DISCLOSURE

DC1 West Coast - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)												
Vote Description	2016/17								2015/16			
	Original Budget	Budget Adjustments (i.to. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue by Vote												
Vote 1- COMMUNITY SERVICES	89 623	889	90 512	96 675		6 163	106.8%	107.9%				89 382
Vote 2- SUBSIDISED SERVICES	15 731	1 421	17 152	21 890		4 738	127.6%	139.2%				19 046
Vote 3- ECONOMIC SERVICES	3 304	-	3 304	3 655		351	110.6%	110.6%				3 036
Vote 4- HOUSING	2 043	-	2 043	1 923		(120)	94.1%	94.1%				1 628
Vote 5- TRADING SERVICES	112 563	1 000	113 563	115 845		2 283	102.0%	102.9%				114 799
Vote 6- AGENCIES	123 470	-	123 470	122 282		(1 188)	99.0%	99.0%				147 972
Example 7 - Vote7	-	-	-	-		-	-	-				-
Example 8 - Vote8	-	-	-	-		-	-	-				-
Example 9 - Vote9	-	-	-	-		-	-	-				-
Example 10 - Vote10	-	-	-	-		-	-	-				-
Example 11 - Vote11	-	-	-	-		-	-	-				-
Example 12 - Vote12	-	-	-	-		-	-	-				-
Example 13 - Vote13	-	-	-	-		-	-	-				-
Example 14 - Vote14	-	-	-	-		-	-	-				-
Example 15 - Vote15	-	-	-	-		-	-	-				-
Total Revenue by Vote	346 734	3 310	350 043	362 270		12 227	103.5%	104.5%				375 863
Expenditure by Vote to be appropriated												
Vote 1- COMMUNITY SERVICES	68 008	889	68 897	57 484	-	(11 413)	83.4%	84.5%	-	-	-	55 963
Vote 2- SUBSIDISED SERVICES	56 611	1 421	58 032	56 800	-	(1 231)	97.9%	100.3%	-	-	-	51 720
Vote 3- ECONOMIC SERVICES	4 787	-	4 787	4 856	-	70	101.5%	101.5%	-	-	-	4 335
Vote 4- HOUSING	1 297	-	1 297	1 139	-	(158)	87.8%	87.8%	-	-	-	1 336
Vote 5- TRADING SERVICES	101 863	1 000	102 863	90 132	-	(12 731)	87.6%	88.5%	-	-	-	110 640
Vote 6- AGENCIES	111 485	-	111 485	110 976	-	(509)	99.5%	99.5%	-	-	-	130 565
Example 7 - Vote7	-	-	-	-	-	-	-	-	-	-	-	-
Example 8 - Vote8	-	-	-	-	-	-	-	-	-	-	-	-
Example 9 - Vote9	-	-	-	-	-	-	-	-	-	-	-	-
Example 10 - Vote10	-	-	-	-	-	-	-	-	-	-	-	-
Example 11 - Vote11	-	-	-	-	-	-	-	-	-	-	-	-
Example 12 - Vote12	-	-	-	-	-	-	-	-	-	-	-	-
Example 13 - Vote13	-	-	-	-	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	344 050	3 310	347 360	321 387	-	(25 973)	92.5%	93.4%	-	-	-	354 559
Surplus/(Deficit) for the year	2 683	-	2 683	40 883	-	38 199	1523.6%	1523.6%	-	-	-	-

APPENDIX K – REVENUE COLLECTION PERFORMANCE BY SOURCE

DC1 West Coast - Reconciliation of Table A1 Budget Summary												
Description	2016/17								2015/16			
	Original Budget	Budget Adjustments (i.to. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
R thousands												
Financial Performance												
Property rates	-	-	-	-		-	-	-				-
Service charges	112 744	-	112 744	114 321		1 576	101.4%	101.4%				113 875
Investment revenue	8 663	-	8 663	20 727		12 064	239.3%	239.3%				17 176
Transfers recognised - operational	87 024	3 310	90 334	88 917		(1 417)	98.4%	102.2%				88 127
Other own revenue	138 303	-	138 303	138 305		3	100.0%	100.0%				156 685
Total Revenue (excluding capital transfers and contributions)	346 734	3 310	350 043	362 270		12 227	103.5%	104.3%				375 863
Employee costs	159 017	-	159 017	155 983	-	(3 033)	98.1%	98.1%	-	-	-	145 541
Remuneration of councillors	6 947	-	6 947	5 633	-	(1 315)	81.1%	81.1%	-	-	-	6 153
Debt impairment	788	-	788	-	-	(788)	-	-	-	-	-	282
Depreciation & asset impairment	14 616	-	14 616	14 254	-	(362)	97.5%	97.5%	-	-	-	13 598
Finance charges	9 299	-	9 299	7 276	-	(2 022)	78.3%	78.3%	-	-	-	8 943
Materials and bulk purchases	71 177	-	71 177	67 161	-	(4 016)	94.4%	94.4%	-	-	-	100 142
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	82 207	3 310	85 517	71 080	-	(14 437)	83.1%	86.5%	-	-	-	79 901
Total Expenditure	344 050	3 310	347 360	321 387	-	(25 973)	92.5%	93.4%	-	-	-	354 559
Surplus/(Deficit)	2 683	-	2 683	40 883		38 199	1523.6%	1523.6%				21 304
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	2 683	-	2 683	40 883		38 199	1523.6%	1523.6%				21 304
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	2 683	-	2 683	40 883		38 199	1523.6%	1523.6%				21 304
Capital expenditure & funds sources												
Capital expenditure												
Transfers recognised - capital	-	-	-	-		-	-	-				-
Public contributions & donations	-	-	-	-		-	-	-				-
Borrowing	-	-	-	-		-	-	-				-
Internally generated funds	11 305	-	11 305	10 852		(453)	96.0%	96.0%				6 440
Total sources of capital funds	11 305	-	11 305	10 852		(453)	96.0%	96.0%				6 440
Cash flows												
Net cash from (used) operating	18 087	-	18 087	33 671		15 584	186.2%	186.2%				49 113
Net cash from (used) investing	(11 305)	-	(11 305)	(10 660)		645	94.3%	94.3%				(6 168)
Net cash from (used) financing	(15 493)	-	(15 493)	(15 492)		1	100.0%	100.0%				(14 998)
Cash/cash equivalents at the year end	190 257	-	190 257	234 434		44 177	123.2%	123.2%				226 915

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

	30 June 2017	30 June 2016
Western Cape Financial Management Grant (Risk & MSCOA)	236 260	551 363
Local Government Graduate Internship Grant	87 112	-
Western Cape Financial Management Grant (IDP)	507 542	-
Western Cape Financial Management Grant (Internship)	184 211	-
RSC Levy Replacement Grant (Equitable Share)	68 270 000	66 398 000
Equitable Share	13 924 000	14 060 000
MSIG	142 711	787 289
Financial Management Grant	1 250 000	1 250 000
EPWP	1 036 000	1 000 000
Donations Mayor	170 401	336 714
Greenest Municipality Competition	24 725	-
Capacity Building Health Services	128 593	51 407
Install Rainwater Tanks	54 886	443 682
Rural Roads Management	1 980 280	2 199 267
Working for Water	979 063	637 968
Other Government Grants and Subsidies : Less VAT on administration charge	- 58 677	411 548
Total	88 917 107	88 127 238

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDIX M (I): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

DC1 West Coast - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding												
Vote Description R thousand	2016/17								2015/16			
	Original Budget	Total Budget Adjustments (i.to. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Capital expenditure - Vote												
Multi-year expenditure												
Vote 1 - COMMUNITY SERVICES	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - SUBSIDISED SERVICES	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - ECONOMIC SERVICES	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - HOUSING	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - TRADING SERVICES	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - AGENCIES	-	-	-	-	-	-	-	-	-	-	-	-
Example 7 - Vote7	-	-	-	-	-	-	-	-	-	-	-	-
Example 8 - Vote8	-	-	-	-	-	-	-	-	-	-	-	-
Example 9 - Vote9	-	-	-	-	-	-	-	-	-	-	-	-
Example 10 - Vote10	-	-	-	-	-	-	-	-	-	-	-	-
Example 11 - Vote11	-	-	-	-	-	-	-	-	-	-	-	-
Example 12 - Vote12	-	-	-	-	-	-	-	-	-	-	-	-
Example 13 - Vote13	-	-	-	-	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure												
Vote 1 - COMMUNITY SERVICES	594	-	594	597	-	3	101%	101%	-	-	-	118
Vote 2 - SUBSIDISED SERVICES	2 905	-	2 905	2 687	-	(218)	93%	93%	-	-	-	2 178
Vote 3 - ECONOMIC SERVICES	116	-	116	116	-	(0)	100%	100%	-	-	-	141
Vote 4 - HOUSING	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - TRADING SERVICES	7 690	-	7 690	7 452	-	(238)	97%	97%	-	-	-	4 003
Vote 6 - AGENCIES	-	-	-	-	-	-	-	-	-	-	-	-
Example 7 - Vote7	-	-	-	-	-	-	-	-	-	-	-	-
Example 8 - Vote8	-	-	-	-	-	-	-	-	-	-	-	-
Example 9 - Vote9	-	-	-	-	-	-	-	-	-	-	-	-
Example 10 - Vote10	-	-	-	-	-	-	-	-	-	-	-	-
Example 11 - Vote11	-	-	-	-	-	-	-	-	-	-	-	-
Example 12 - Vote12	-	-	-	-	-	-	-	-	-	-	-	-
Example 13 - Vote13	-	-	-	-	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure	11 305	-	11 305	10 852	-	(453)	96%	96%	-	-	-	6 440
Total Capital Expenditure - Vote	11 305	-	11 305	10 852	-	(453)	96%	96%	-	-	-	6 440
Capital Expenditure - Standard												
Governance and administration	576	-	576	597	-	21	104%	104%	-	-	-	99
Executive and council	10	-	10	8	-	(2)	83%	83%	-	-	-	-
Budget and treasury office	566	-	566	589	-	23	104%	104%	-	-	-	-
Corporate services	-	-	-	-	-	-	-	-	-	-	-	99
Community and public safety	3 039	-	3 039	2 803	-	(236)	92%	92%	-	-	-	2 338
Community and social services	116	-	116	116	-	(0)	100%	100%	-	-	-	141
Sport and recreation	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	2 895	-	2 895	2 662	-	(233)	92%	92%	-	-	-	2 178
Housing	-	-	-	-	-	-	-	-	-	-	-	-
Health	28	-	28	25	-	(3)	91%	91%	-	-	-	19
Economic and environmental services	-	-	-	-	-	-	-	-	-	-	-	-
Planning and development	-	-	-	-	-	-	-	-	-	-	-	-
Road transport	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	7 690	-	7 690	7 452	-	(238)	97%	97%	-	-	-	4 003
Electricity	-	-	-	-	-	-	-	-	-	-	-	-
Water	7 690	-	7 690	7 452	-	(238)	97%	97%	-	-	-	4 003
Waste water management	-	-	-	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	11 305	-	11 305	10 852	-	(453)	96%	96%	-	-	-	6 440
Funded by:												
National Government	-	-	-	-	-	-	-	-	-	-	-	-
Provincial Government	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	11 305	-	11 305	10 852	-	(453)	96%	96%	-	-	-	6 440
Total Capital Funding	11 305	-	11 305	10 852	-	(453)	96%	96%	-	-	-	6 440

APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Not Applicable

APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 1

Not Applicable

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 1

Not Applicable



APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Service Backlogs: Schools and Clinics					
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection	
Schools (NAMES, LOCATIONS)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	
Clinics (NAMES, LOCATIONS)					
<p><i>Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned.</i></p> <p style="text-align: right;">TP</p>					

APPENDIX Q: CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Not applicable.

APPENDIX R: CAPITAL PROGRAMME BY PROJECT: YEAR 1

Not applicable.

APPENDIX S: CAPITAL PROGRAMME BY WARD: YEAR 1

Not applicable.

APPENDIX T – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Service backlogs: Schools and clinics				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid waste collection
Schools (names, locations)	Not applicable	Not applicable	31 October 2014	Not applicable
Clinics (names, locations)				
Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned.				

APPENDIX U – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Service backlogs experienced by the community where another sphere of government is the service provider (whether or not the municipality acts on an agency basis)		
Services and locations	Scale of backlogs	Impact of backlogs
Clinics	Not applicable – District Municipality	Not applicable – District Municipality
Housing		
Licensing and Testing Centre		
Reservoir schools (primary and high)		
Sports fields		

APPENDIX V – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Declaration of loans and grants made by the Municipality: Year 1*					
All organisations or persons in receipt of loans*/grants* provided by the Municipality	Nature of project	Conditions attached to funding	Value Year 1 (R' 000)	Total amount committed over previous and future years	
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
* Loans/grants whether in cash or in kind					

**APPENDIX W – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA
SECTION 71**

MFMA Section 71 returns not made during Year 1 according to reporting requirements	
Return	Reason return has not been properly made on due date
None	Not applicable

APPENDIX X – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and provincial outcomes for local government*		
Outcome/Output	Progress to date	Number or percentage achieved
Output: Improving access to basic services	All basic services backlogs have been addressed earlier by the District Municipality and it is now pursuing alternative bulk water sources through desalination, as well as the development of a regional waste disposal site within the District.	Not measured or quantifiable
Output: Implementation of the Community Work Programme	Extensive public works programmes have been implemented by the district, especially in the field of environmental management.	District Municipality has not participated in CWP, only EPWP.
Output: Deepen democracy through a refined Ward Committee model	The local municipality IDP Ward has been strengthened and the municipal public participation process has been implemented and coordinated with provincial and local government at district level.	The District municipality does not have ward committees, however the district municipality do participate in the local municipal public participation/ public meeting processes/ share with local municipalities their ward level and or public participation platforms
Output: Administrative and financial capability	Continuous corporate improvement of administrative and financial capabilities and systems have been carried out.	District municipality is rolling out the attendance on the MMC/ MFMP programme training to most staff in order to strengthen administrative and financial capabilities.
Output: Improving access to basic services	All basic services backlogs have been addressed earlier by the District Municipality and it is now pursuing alternative bulk water sources through desalination, as well as the development of a regional waste disposal site within the District.	Not measured or quantifiable
Output: Implementation of the Community Work Programme	Extensive public works programmes have been implemented by the district, especially in the field of environmental management.	District Municipality has not participated in CWP, only EPWP.
Output: Deepen democracy through a refined Ward Committee model	The local municipality IDP Ward has been strengthened and the municipal public participation process has been implemented and coordinated with provincial	The District municipality does not have ward committees but participates in the local municipal public participation/ public meeting processes/ share with local

	and local government at district level.	municipalities their ward level and or public participation platforms
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West Coast District Municipality

Annual Performance Report



2016/17

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Chapter 3: Service Delivery Performance

CHAPTER 3

3.1 OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

Performance management is a process which measures the implementation of the organisation's strategy. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality.

At local government level performance management is institutionalized through the legislative requirements of the performance management process for local government. Performance management provides the mechanism to measure whether targets to meet its strategic goals, set by the organisation and its employees, are met.

The constitution of S.A (1996), section 152, indicates the objectives of local government and paves the way for performance management with the requirements for an "accountable government". The democratic values and principles in terms of section 195 (1) are also linked with the concept of performance management, with reference to the principles of inter alia:

- ≈ the promotion of efficient, economic and effective use of resources,
- ≈ accountable public administration
- ≈ to be transparent by providing information,
- ≈ to be responsive to the needs of the community; and
- ≈ to facilitate a culture of public service and accountability amongst staff.

The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the service delivery budget implementation plan (SDBIP). The Mayor approved the Top Layer SDBIP for 2016/17 in terms of Section 53(1)(c)(ii) of the Municipal Finance Management Act (MFMA), MFMA Circular No. 13 and the Budgeting and Reporting Regulation on 22 June 2016 which include the municipality's key performance indicators for 2016/17.

3.1.1 Legislative requirements

In terms of Section 46(1)(a) of the MSA a municipality must prepare for each financial year a performance report reflecting the municipality's and any service provider's performance during the financial year, including comparison with targets of and with performance in the previous financial year. The report must, furthermore, indicate the development and service delivery priorities and the performance targets set by the municipality for the following financial year and measures that were or are to be taken to improve performance.

3.1.2 Organisation performance

Strategic performance indicates how well the municipality achieve its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for the implementation. The implementation must be monitored on an on-going basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

Chapter 3: Service Delivery Performance

This report highlights the performance of the municipality as measured in the Top Layer SDBIP, in terms of its strategic objectives and National Key Performance Indicators prescribed in Section 43 of the MSA.

3.1.3 The performance system followed for the financial year 2016/17

a) *Adoption of a Performance Management Framework*

Performance management is prescribed by Chapter 6 of the MSA and the Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7(1) of the Regulation states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the responsibilities of the different role players." This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance. The municipality adopted a performance management framework that was approved by Council on 26 September 2009.

b) *The IDP and the budget*

The revised IDP and the budget for 2016/17 was approved by Council on 16 May 2016. The IDP process and the performance management process are integrated. The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

c) *The SDBIP*

Strategic performance indicates how well the municipality achieve its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for the implementation. The implementation must be monitored on an on-going basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

The municipal scorecard (Top Layer SDBIP) consolidates service delivery targets set by Council/senior management and provide an overall picture of performance for the municipality, reflecting performance on its strategic priorities.

The SDBIP converts the budget into measurable indicators of how, where and when strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and budget.

3.1.4 Actual Performance

This report highlights the performance of the municipality as measured in the Top Layer SDBIP, in terms of its strategic objectives and National Key Performance Indicators prescribed in Section 43 of the MSA.

The municipality utilizes an electronic web based system on which KPI owners update actual performance monthly. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- ≈ The actual result in terms of the target set.
- ≈ A performance comment.
- ≈ Actions to improve the performance against the target set, if the target was not achieved.

Chapter 3: Service Delivery Performance

- ≈ It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results updated.

Performance results are monitored and reviewed in terms of:

- ≈ Quarterly KPI monitoring sessions held by the Municipal Manager with all managers;
- ≈ Quarterly reports tabled before the Portfolio Committees of the Mayor;
- ≈ Quarterly reports tabled before the Executive Mayoral Committee and Council; and
- ≈ Internal audit submitted their quarterly performance management audits to the Municipal Manager and the Performance Audit Committee during the meetings held in 25 August 2016 and 25 February 2017 as required in terms of Regulation 14(1)(c) of the Municipal Planning and Performance Management Regulations of 2001.

3.1.5 Individual performance management

a) *Municipal Manager and managers directly accountable to the Municipal Manager*

The Municipal Systems Act, 2000 (Act 32 of 2000) prescribes that the municipality must enter into performance based agreements with the all s57-employees and that performance agreements must be reviewed annually. This process and the format are further regulated by Regulation 805 (August 2006). The performance agreements for the 2016/17 financial year were signed during July 2016 as prescribed.

The appraisal of the actual performance in terms of the signed agreements takes place twice per annum as regulated. The final evaluation of the 2015/16 financial year (1 January 2016 to 30 June 2016) took place on 27 July 2016 and the mid-year performance of 2016/17 (1 July 2016 to 31 December 2016) took place on 22 March 2017.

3.1.6 SDBIP (Top Layer)

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section provides an overview on the achievement of the municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer (strategic) SDBIP is the municipality's strategic plan and shows the strategic alignment between the different documents. (IDP, budget and performance agreements)

In the paragraphs below the performance achieved is illustrated against the Top Layer SDBIP according to the strategic objectives.

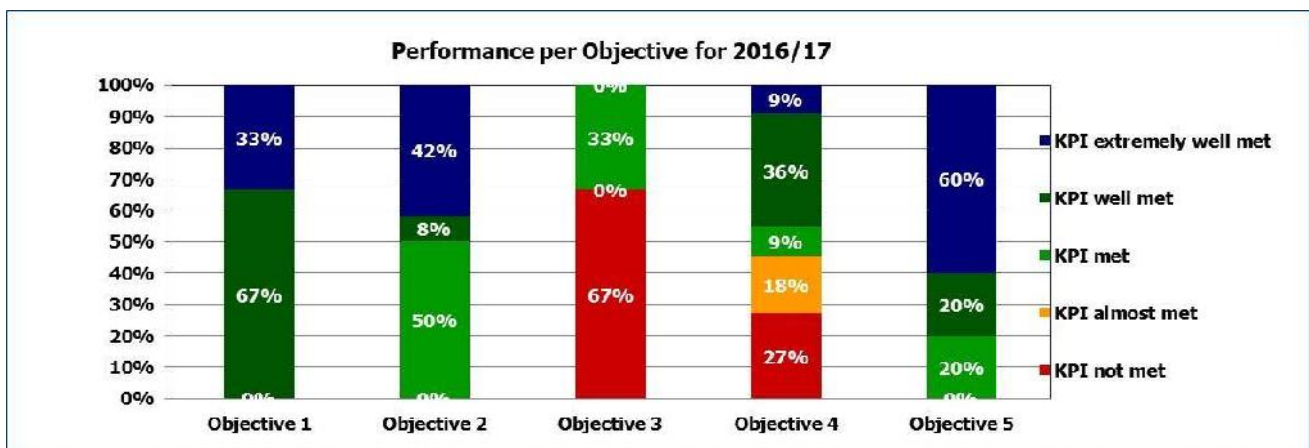
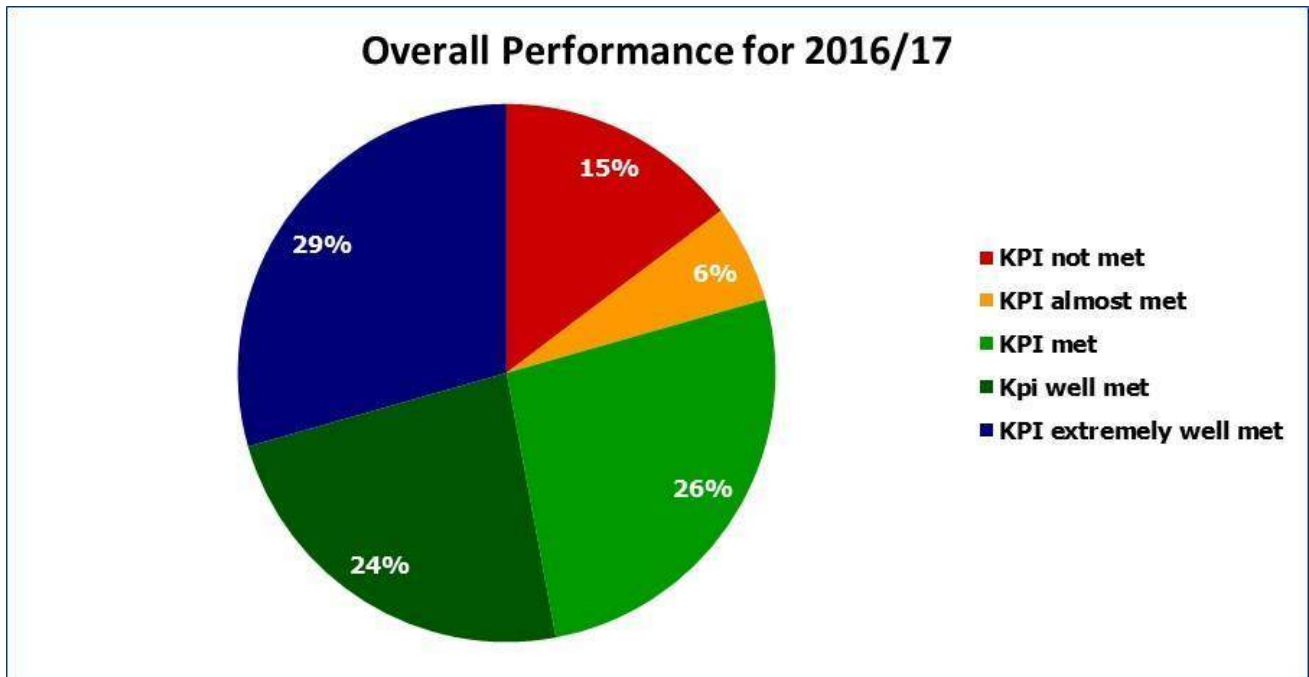
The following figure explains the method by which the overall assessment of actual performance against targets set for the key performance indicators (KPI's) of the SDBIP is measured:

Category	Color	Explanation
KPI Not Yet Measured		KPI's with no targets or actuals in the selected period
KPI Not Met		0% > = Actual/Target < 75%
KPI Almost Met		75% > = Actual/Target < 100%
KPI Met		Actual/Target = 100%
KPI Well Met		100% > Actual/Target < 150%
KPI Extremely Well Met		Actual/Target > = 150%

Table 1.: SDBIP measurement categories

Chapter 3: Service Delivery Performance

The graph below displays the overall performance per strategic objective for 2016/17:



Measurement Category	Objective 1 Ensuring Environmental Integrity for the West Coast	Objective 2 Ensuring Good Governance and Financial Viability	Objective 3 Promoting Social well-being of the community	Objective 4 Providing essential Bulk services to the District	Objective 5 To pursue Economic Growth and facilitation of job opportunities	Total
KPI Not Met	0	0	2	3	0	5
KPI Almost Met	0	0	0	2	0	2
KPI Met	0	6	1	1	1	9
KPI Well Met	2	1	0	4	1	8
KPI Extremely Well Met	1	5	0	1	3	10
Total	3	12	3	11	5	34

Graph 1.: Overall performance per strategic objective

Chapter 3: Service Delivery Performance

a) Ensuring environmental integrity for the West Coast

Ref	KPI	Unit of Measurement	Actual Performance of 2015/16	Target					Actual
				Q1	Q2	Q3	Q4	Annual	
TL9	Take quarterly samples of bacterial levels of potable water in towns, farms and communities within in the district during the 2016/17 financial year	Number of samples taken and monitored	1 010	200	200	200	200	800	1 052
TL10	Take quarterly samples in terms of Foodstuffs, Cosmetics and Disinfectants Act during the 2016/17 financial year	Number of samples taken and monitored	1 751	270	270	270	270	1 080	1 676
TL11	Take quarterly samples regarding bacterial levels in final sewerage effluent during the 2016/17 financial year	Number of samples taken and monitored	277	50	50	50	60	210	276

Table 2.: Top Layer SDBIP – Ensuring environmental integrity for the West Coast

b) Ensuring good governance and financial viability

Ref	KPI	Unit of Measurement	Actual Performance of 2015/16	Target					Actual
				Q1	Q2	Q3	Q4	Annual	
TL4	Number of people from employment equity target groups to be appointed by 30 June 2017 in the three highest levels of management in compliance with the municipality's approved employment equity plan	Number of people appointed in the three highest levels of management	1	0	0	0	1	1	1
TL5	The percentage of the municipality's	% of the municipality's personnel	0.78%	0%	0%	0%	1%	1%	1.18%

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Ref	KPI	Unit of Measurement	Actual Performance of 2015/16	Target					Actual
				Q1	Q2	Q3	Q4	Annual	
	personnel budget actually spent on implementing its workplace skills plan by 30 June 2017 ((Actual amount spent on training/total personnel budget) x100)	budget actually spent on implementing its workplace skills plan							
TL6	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2017 ((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	% of debt coverage	23.34%	0%	0%	0%	45%	45%	21.04%
TL7	Financial viability measured in terms of the outstanding service debtors as at 30 June 2017 ((Total outstanding service debtors/ revenue received for services) X100)	% of outstanding service debtors	4.70%	0%	0%	0%	5%	5%	3.48%
TL8	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2017 (Available cash+ investments)/ Monthly fixed	Number of months it takes to cover fix operating expenditure with available cash	6	0	0	0	3	3	8.63

Chapter 3: Service Delivery Performance

Ref	KPI	Unit of Measurement	Actual Performance of 2015/16	Target					Actual	
				Q1	Q2	Q3	Q4	Annual		
	operating expenditure)									
TL24	Review the risk management policy strategy with the implementation plan and submit to the risk committee by 31 March 2017	Reviewed risk management policy strategy with implementation plan submitted to risk committee	New performance indicator for 2016/17 No audited comparatives available	0	0	1	0	1	1	
TL26	Limit the vacancy rate to less than 15% of budgeted posts by 30 June 2017 ((Number of budgeted posts filled/Number of budgeted posts on the organogram) x100)	% Vacancy rate	13%	0%	15%	0%	15%	15%	9%	
TL27	Compile the risk based audit plan and submit to the Audit Committee for consideration by 30 June 2017	RBAP submitted to Audit Committee	1	0	0	0	1	1	1	
TL28	Submit progress reports on the implementation of the RBAP to the Audit Committee during the 2016/17 financial year	Number of progress reports submitted	6	1	2	1	2	6	6	
TL29	Co-ordinate the functioning of the audit committee during the 2016/17 financial year	Number of meetings held	6	1	1	1	1	4	6	
TL30	Perform quarterly risk assessments per the Risk Implementation Plan and submit report with amendments to the risk committee during	Number of risk assessments performed	5	1	1	1	1	4	4	

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Ref	KPI	Unit of Measurement	Actual Performance of 2015/16	Target					Actual
				Q1	Q2	Q3	Q4	Annual	
	the 2016/17 financial year								
TL31	Initiate the meeting of the District coordinating forum (Technical) during the 2016/17 financial year	Number of meetings initiated	4	1	1	1	1	4	4

Table 3.: Top Layer SDBIP – Ensuring good governance and financial viability

c) Promoting social well-being of the community

Ref	KPI	Unit of Measurement	Actual Performance of 2015/16	Target					Actual
				Q1	Q2	Q3	Q4	Annual	
TL12	Review and submit the Fire Master Plan to Council by the end of May 2017	Fire Master Plan reviewed and submitted	New performance indicator for 2016/17 No audited comparatives available	0	0	0	1	1	0
Corrective action		Review of Master Fire Plan was completed on 28 May 2017, but an item could not be submitted in time for the Council meeting due to unforeseen circumstances. The plan has subsequently been submitted.							
TL13	Review and submit the Disaster Management Framework to Council by the end of May 2017	Disaster Management Framework reviewed and submitted	New performance indicator for 2016/17 No audited comparatives available	0	0	0	1	1	0
Corrective action		The National and Provincial Frameworks must first be updated before the District Framework can be updated. The Framework will be updated as soon as the updated Provincial Framework is received.							
TL25	Draft the annual consolidated operational plan for social development interventions in the district and submit to MAYCO for approval by 30 September 2016	Consolidated operational plan for social development interventions in the district drafted and submitted to MAYCO	1	1	0	0	0	1	1

Table 4.: Top Layer SDBIP – Promoting social well-being of the community

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d) Providing essential bulk services to the District

Ref	KPI	Unit of Measurement	Actual Performance of 2015/16	Target					Actual	
				Q1	Q2	Q3	Q4	Annual		
TL1	The percentage of the municipal capital budget actually spent on capital projects by 30 June 2017 {(Actual amount spent on projects /Total amount budgeted for capital projects) X100}	% of capital budget spent	96.13%	10%	35%	60%	95%	95%	95.99%	
TL14	95% of the provincial roads conditional grant budget allocation spent by 30 June 2017 {(Total expenditure divided by the total approved budget) x 100}	% of the budget spent	94.84%	20%	48%	65%	95%	95%	100.57%	
TL15	Kilometers of road graded as per planned schedule of 16000 kilometers per year by 30 June 2017	Number of kilometers graded	18 084.96	3 458	7 381	11 613	16 000	16 000	18 294.63	
TL16	Re-gravel 57.11 kilometers of roads by 30 June 2017	Number of kilometers of road re-gravelled	75.25	30	0	0	57.11	57.11	34.6	
Corrective action		In future, a more stringent approach to contract management, mediation and legal action will be followed should the situation arise.								
TL17	Upgrade 10.26 kilometers of roads from gravel to bitumen surface by 30 June 2017	Number of kilometers of road upgraded from gravel to bitumen	9.79	0	10.26	0	0	10.26	8.29	
Corrective action		In future, a more stringent approach to contract management, mediation and legal action will be followed should the situation arise.								
TL18	Reseal 31.4 kilometers of	Number of kilometers of road resealed	52.04	0	31.4	0	0	31.4	25.4	

Chapter 3: Service Delivery Performance

Ref	KPI	Unit of Measurement	Actual Performance of 2015/16	Target					Actual
				Q1	Q2	Q3	Q4	Annual	
	surfaced roads by 30 June 2017								
Corrective action		During the project term, the responsibility to prepare for maintenance was shifted from the road authority to the agent without timeous notice in order to plan and procure sufficiently.							
TL19	Rehabilitate 2 kilometers of existing roads by 30 June 2017	Number of kilometers rehabilitated	New performance indicator for 2016/17 No audited comparatives available	0	2	0	0	2	0
Corrective action		In future, a more stringent approach to contract management, mediation and legal action will be followed should the situation arise.							
TL20	Complete 3 road concrete structures by 30 June 2017	Number of concrete structures completed	New performance indicator for 2016/17 No audited comparatives available	0	1	1	1	3	0
Corrective action		None of the 3 projects could commence due to much needed certificates that must be issued by the Department of Water Affairs (DWA) which the district is still waiting for. Continuous follow-up with the responsible professionals and DWA is ongoing, however the prescribed legal process governs the execution of works and we are bound by that.							
TL21	Comply 100% with water quality parameters as per SANS 241 physical and micro parameters for West Coast Bulk Water Supply during the 2016/17 financial year	% compliance with the water quality parameters	100%	100%	100%	100%	100%	100%	100%
TL22	Limit average % water loss for last 12 months to less than 10% {(Number of Kiloliters Water Purchased or Purified - Number of Kiloliters Water Sold) / Number of Kiloliters Water Purchased or Purified × 100}	% average water loss for last 12 months {(Number of Kiloliters Water Purchased or Purified - Number of Kiloliters Water Sold) / Number of Kiloliters Water Purchased or Purified × 100}	8.18%	10%	10%	10%	10%	10%	2.68%

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Ref	KPI	Unit of Measurement	Actual Performance of 2015/16	Target					Actual
				Q1	Q2	Q3	Q4	Annual	
	Purchased or Purified × 100}								
TL23	95% of the water capital budget spent by 30 June 2017 {(Actual expenditure divided by the total approved budget) x100}	% of budget spent	New performance indicator for 2016/17 No audited comparatives available	15%	25%	45%	95%	95%	96.90%

Table 5.: Top Layer SDBIP – Providing essential bulk services to the District

e) To pursue economic growth and facilitation of job opportunities

Ref	KPI	Unit of Measurement	Actual Performance of 2015/16	Target					Actual
				Q1	Q2	Q3	Q4	Annual	
TL2	Create full time equivalent (FTE's) through expenditure with the EPWP job creation by 30 June 2017	Number of full time equivalent (FTE's) created by 30 June 2017	57.3	0	0	0	30	30	59.64
TL3	Create temporary job opportunities with man days paid through capital projects by 30 June 2017	Number of man days paid	7 016	0	700	150	150	1 000	5 896
TL32	Host 8 workshops to promote skills development and support the Tourism SMME business sector by 30 June 2017	Number of workshops hosted	11	0	0	0	8	8	8
TL33	Carry out 24 tourism promotional activities in the print and other media by 30 June 2017	Number of activities	58	6	6	6	6	24	56
TL34	Assist 12 Tourism BEE entrepreneurs with starting and growing businesses e.g.	Number of tourism BEE entrepreneurs assisted	13	3	3	3	3	12	15

Chapter 3: Service Delivery Performance

Ref	KPI	Unit of Measurement	Actual Performance of 2015/16	Target					Actual
				Q1	Q2	Q3	Q4	Annual	
	research, business plans and skills development by 30 June 2017								

Table 6.: *Top Layer SDBIP – To pursue economic growth and facilitation of job opportunities*

3.2 COMPONENT E: ORGANISATIONAL PERFORMANCE SCORECARD

The main development and service delivery priorities for 2017/18 is the Municipality's Top Layer SDBIP for 2017/18 which are indicated per strategic objective in the tables below:

3.2.1 Ensuring environmental integrity for the West Coast

Ref	KPI	Unit of Measurement	Annual Target
TL2	Take quarterly samples of bacterial levels of potable water in towns, farms and communities within in the district during the 2017/18 financial year	Number of samples taken and monitored	800
TL3	Develop a Climate Change Strategy and submit to Council for approval by the end of May 2018	Strategy submitted to Council for approval by the end of May 2018	1
TL4	Review the Air Quality Management Plan and submit to Council for approval by the end of May 2018	Reviewed Air Quality Management Plan submitted to Council for approval by the end of May 2018	1
TL5	Develop an Alien Clearing and Monitoring Plan and submit to Council for approval by the end of May 2018	Alien Clearing and Monitoring Plan submitted to Council for approval by the end of May 2018	1
TL6	Take quarterly samples in terms of Foodstuffs, Cosmetics and Disinfectants Act during the 2017/18 financial year	Number of samples taken and monitored	1 080
TL7	Take quarterly samples regarding bacterial levels in final sewerage effluent during the 2017/18 financial year	Number of samples taken and monitored	210

Table 7.: *Service delivery priorities 2017/18: Ensuring environmental integrity for the West Coast*

3.2.2 Ensuring good governance and financial viability

Ref	KPI	Unit of Measurement	Annual Target
TL9	Compile and submit the draft Annual Report for 2017/18 to Council by the end January 2018	Compile and submit the draft Annual Report by the end of January 2018	1
TL22	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2018 ((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	% of debt coverage	45%

Chapter 3: Service Delivery Performance

Ref	KPI	Unit of Measurement	Annual Target
TL23	Financial viability measured in terms of the outstanding service debtors as at 30 June 2018 ((Total outstanding service debtors/ revenue received for services) X100)	% of outstanding service debtors	3.80%
TL24	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2018 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)).	Number of months it takes to cover fix operating expenditure with available cash	8.7
TL25	Number of people from employment equity target groups to be appointed by 30 June 2018 in the three highest levels of management in compliance with the municipality's approved Employment Equity Plan	Number of people appointed in the three highest levels of management	0
TL26	The percentage of the municipality's personnel budget actually spent on implementing its workplace skills plan by 30 June 2018 ((Actual amount spent on training/total personnel budget) x100)	% of the municipality's personnel budget actually spent on implementing its workplace skills plan	1%
TL27	Review the risk management policy strategy with the implementation plan and submit to the risk committee by 31 March 2018	Reviewed risk management policy strategy with implementation plan submitted to risk committee	1
TL29	Limit the vacancy rate to less than 15% of budgeted posts by 30 June 2018 ((Number of budgeted posts filled/Number of budgeted posts on the organogram) x100)	% Vacancy rate	15%
TL30	Compile the risk based audit plan and submit to the Audit Committee for consideration by 30 June 2018	RBAP submitted to Audit Committee	1
TL31	Submit progress reports on the implementation of the RBAP to the Audit Committee during the 2017/18 financial year	Number of progress reports submitted	6
TL32	Co-ordinate the functioning of the audit committee during the 2017/18 financial year	Number of meetings coordinated	4
TL33	Perform quarterly risk assessments per the Risk Implementation Plan and submit report with amendments to the risk committee during the 2017/18 financial year	Number of risk assessments performed and report submitted to the risk committee	4
TL34	Initiate the meeting of the district coordinating forum (Technical) during the 2017/18 financial year	Number of meetings initiated	4

Table 8.: Service delivery priorities 2017/18: Ensuring good governance and financial viability

Chapter 3: Service Delivery Performance

3.2.3 Promoting social well-being of the community

Ref	KPI	Unit of Measurement	Annual Target
TL12	95% of the provincial roads conditional grant budget allocation spent by 30 June 2018 {(Total expenditure divided by the total approved budget) x 100}	% of the budget spent	95%
TL13	Grade 16 000 kilometers of road by 30 June 2018	Number of kilometers graded	16 000
TL14	Re-gravel 26.88 kilometers of roads by 30 June 2018	Number of kilometers of road re-graveled	26.88
TL15	Upgrade 6.448 kilometers of roads from gravel to bitumen surface by 30 June 2018	Number of kilometers of road upgraded from gravel to bitumen	6.45
TL16	Reseal 27.24 kilometers of surfaced roads by 30 June 2018	Number of kilometers of road resealed	27.24
TL17	Rehabilitate 2 kilometers of existing roads by 30 June 2018	Number of kilometers rehabilitated	2
TL18	Comply 100% with water quality parameters as per SANS 241 physical and micro parameters for West Coast Bulk Water Supply during the 2017/18 financial year	% compliance with the water quality parameters	100%
TL19	Limit average % water loss for last 12 months to less than 7.5% {(Number of Kiloliters Water Purified - Number of Kiloliters Water Sold) / Number of Kiloliters Water Purified} x 100}	% average water loss for last 12 months {(Number of Kiloliters Water Purified - Number of Kiloliters Water Sold) / Number of Kiloliters Water Purified} x 100}	7.50%
TL20	95% of the water capital budget spent by 30 June 2018 {(Actual expenditure divided by the total approved budget) x100}	% of budget spent	95%
TL21	The percentage of the municipal capital budget spent on capital projects by 30 June 2018 {(Actual (including commitments) amount spent on projects /Total amount budgeted for capital projects) X100}	% of capital budget spent	95%

Table 9.: Service delivery priorities 2017/18: Promoting social well-being of the community

3.2.4 Promoting bulk infrastructure development services

Ref	KPI	Unit of Measurement	Annual Target
TL8	Review the Fire Master Plan implementation action plan and submit to the Mayor for approval by the end of May 2018	Action implementation plan reviewed and submitted to the Mayor by 31 May 2018	1
TL10	Review and submit the Disaster Management Framework to Council by the end of May 2018	Disaster Management Framework reviewed and submitted	1
TL28	Draft the annual consolidated operational plan for social development interventions in the district and submit to MAYCO for approval by 30 September 2017	Consolidated operational plan for social development interventions in the district drafted and submitted to MAYCO	1

Table 10.: Service delivery priorities 2017/18: Promoting bulk infrastructure development services

Chapter 3: Service Delivery Performance

3.2.5 To pursue economic growth and facilitation of job opportunities

Ref	KPI	Unit of Measurement	Annual Target
TL1	Create full time equivalent (FTE's) through expenditure with the EPWP job creation by 30 June 2018	Number of full time equivalent (FTE's) created by 30 June 2018	30
TL11	Create temporary job opportunities with man days paid through projects by 30 June 2018	Number of man days paid	1 200
TL35	Host 8 sessions to promote skills development and support the Tourism SMME business sector by 30 June 2018	Number of sessions hosted	8
TL36	Carry out 32 tourism promotional activities by 30 June 2018	Number of activities carried out	32
TL37	Assist 12 Tourism BEE entrepreneurs with starting and growing businesses e.g. research, business plans and skills development by 30 June 2018	Number of Tourism BEE entrepreneurs assisted	12

Table 11.: *Service delivery priorities 2017/18: To pursue economic growth and facilitation of job opportunities*



**WEST COAST DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

West Coast District Municipality

Annual Financial Statements for the year ended 30 June 2017

General Information

Mayoral committee

Cllr J H Cleophas (Executive Mayor)
Cllr R W Strydom (Deputy Executive Mayor)
Cllr R E Swarts (Speaker)

Cllr J Meyer
Ald F J Schippers
Ald B J Stanley

Councillors

Cllr V D McQuire
Cllr S A Gxabalashe
Cllr R Skei
Cllr F Kamfer
Cllr H J van der Hoven
Cllr C Erasmus
Cllr J Alexander
Cllr J J Hoop
Cllr N M Ngobo
Cllr M Carosini
Cllr N S Qunta
Ald S I J Smit
Cllr A J du Plooy
Cllr E B Mankay
Ald E Nackerdien
Cllr M Schrader
Cllr S M Scholtz
Cllr B J Penxa
Cllr N Smit

Grading of local authority

Grade 4

Credit Rating

Long Term : A-
Short Term : A1-

Registered office

58 LONG STREET
MOORREESBURG
7310

Postal address

P O BOX 242
MOORREESBURG
7310

Bankers

First National Bank
62001436014

Auditors

AUDITOR GENERAL
Registered Auditors

Telephone

022-433 8400

Fax

086 692 6113

Accounting Officer

H F Prins

Chief Financial Officer (CFO)

J Koekemoer

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I AM RESPONSIBLE FOR THE PREPARATION OF THESE ANNUAL FINANCIAL STATEMENTS, WHICH ARE SET OUT ON PAGES 3 TO 96, IN TERMS OF SECTION 126 (1) OF THE MUNICIPAL FINANCE MANAGEMENT ACT, AND WHICH I HAVE SIGNED ON BEHALF OF THE MUNICIPALITY.

I CERTIFY THAT THE SALARIES, ALLOWANCES AND BENEFITS OF COUNCILLORS AS DISCLOSED IN NOTE 22 OF THESE ANNUAL FINANCIAL STATEMENTS ARE WITHIN THE UPPER LIMITS OF THE FRAMEWORK AS ENVISAGED IN SECTION 219 OF THE CONSTITUTION, READ WITH THE REMUNERATION OF PUBLIC OFFICE BEARERS ACT, 20 OF 1998, AND THE MINISTER OF PROVINCIAL AND LOCAL GOVERNMENT'S DETERMINATION IN ACCORDANCE WITH THIS ACT.

Municipal Manager - 30 November 2017

Chief Financial Officer - 30 November 2017

West Coast District Municipality

Annual Financial Statements for the year ended 30 June 2017

Statement of Financial Position as at 30 June 2017

Figures in Rand	Note(s)	2017	2016 Restated
Assets			
Current Assets			
Cash and cash equivalents	6	234 434 001	226 914 873
Trade receivables from exchange transactions	5	3 950 639	3 686 991
Other receivables from exchange transactions	4	28 076 833	8 773 120
Inventories	3	6 338 246	4 975 607
Employee benefit - roads receivable	15	1 196 396	1 127 968
		273 996 115	245 478 559
Non-Current Assets			
Investment property	7	4 572 282	4 605 492
Property, plant and equipment	8	323 739 341	327 905 053
Intangible assets	9	520 363	1 028 903
Employee benefit - roads receivable	15	19 361 937	18 744 707
		348 193 923	352 284 155
Total Assets		622 190 038	597 762 714
Liabilities			
Current Liabilities			
Trade payables from exchange transactions	10	15 055 855	16 965 872
VAT payable	11	1 476 671	917 466
Unspent conditional grants and subsidies	12&20	1 712 584	1 483 836
Employee benefits	13	8 725 091	7 447 376
Current portion of long-term liabilities	14&28	17 003 568	15 492 689
		43 973 769	42 307 239
Non-Current Liabilities			
Medical aid benefits	15	62 476 909	63 420 000
Long service awards	16	7 280 737	7 460 000
Long-term liabilities	14	40 242 583	57 245 315
		110 000 229	128 125 315
Total Liabilities		153 973 998	170 432 554
Net Assets		468 216 040	427 330 160
Accumulated surplus	17	468 216 040	427 330 160

West Coast District Municipality

Annual Financial Statements for the year ended 30 June 2017

Statement of Financial Performance

Figures in Rand	Note(s)	2017	2016 Restated
Revenue			
Revenue from exchange transactions			
Service charges	18	114 320 616	113 875 025
Roads agency services	43	120 592 599	145 936 197
Other revenue	19	5 290 239	4 731 981
Fees earned		158 362	10 000
Resort income	7	3 502 943	3 035 663
Finance income	45	20 726 817	17 176 155
Total revenue from exchange transactions		264 591 576	284 765 021
Revenue from non-exchange transactions			
Taxation revenue			
Other revenue	19	1 625 405	657 806
Actuarial gains recognised - employee benefits	44	6 796 061	347 503
Government grants & subsidies	20	88 917 107	88 127 238
Actuarial gains recognised - roads receivable		-	1 965 675
Gain on bad debt provision		339 725	-
Total revenue from non-exchange transactions		97 678 298	91 098 222
Total revenue		362 269 874	375 863 243
Expenditure			
Employee related costs	21	(155 983 110)	(145 540 680)
Remuneration of councillors	22	(5 632 858)	(6 152 615)
Depreciation and amortisation		(14 254 279)	(13 597 719)
Finance costs	23	(7 276 198)	(8 943 059)
Repairs and Maintenance	47	(59 401 766)	(87 268 487)
Bulk purchases	24	(8 723 497)	(10 682 893)
Allowance for impairment	46	-	(281 633)
General Expenses	25	(68 443 866)	(61 806 610)
Total expenditure		(319 715 574)	(334 273 696)
Loss on disposal of assets and liabilities		(1 144 955)	(20 284 889)
Actuarial loss on road receivable	15	(526 821)	-
		(1 671 776)	(20 284 889)
Surplus for the year		40 882 524	21 304 658

West Coast District Municipality

Annual Financial Statements for the year ended 30 June 2017

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 July 2015 Restated	405 010 370	405 010 370
Changes in net assets		
Surplus for the year	21 304 658	21 304 658
Correction of an error - Note 26	1 015 132	1 015 132
Total changes	22 319 790	22 319 790
Balance at 01 July 2016 Restated	427 330 160	427 330 160
Changes in net assets		
Surplus for the year	40 882 523	40 882 523
Correction of an error - Note 26	3 357	3 357
Total changes	40 885 880	40 885 880
Balance at 30 June 2017	468 216 040	468 216 040

West Coast District Municipality

Annual Financial Statements for the year ended 30 June 2017

Cash Flow Statement

Figures in Rand	Note(s)	2017	2016 Restated
Cash flows from operating activities			
Receipts			
Cash receipts from rate payers, government and other		216 559 659	216 114 711
Road services		98 547 061	130 803 747
Interest income		20 726 817	17 176 155
		<u>335 833 537</u>	<u>364 094 613</u>
Payments			
Employee costs		(154 664 063)	(146 325 690)
Suppliers		(140 221 930)	(159 712 743)
Finance costs		(7 276 198)	(8 943 059)
		<u>(302 162 191)</u>	<u>(314 981 492)</u>
Net cash flows from operating activities	27	<u>33 671 346</u>	<u>49 113 121</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(10 835 991)	(6 418 713)
Proceeds from sale of property, plant and equipment		175 626	251 132
Net cash flows from investing activities		<u>(10 660 365)</u>	<u>(6 167 581)</u>
Cash flows from financing activities			
Movement in long-term liability		(15 491 853)	(14 127 729)
Finance lease payments		-	(870 121)
Net cash flows from financing activities		<u>(15 491 853)</u>	<u>(14 997 850)</u>
Net increase/(decrease) in cash and cash equivalents		7 519 128	27 947 690
Cash and cash equivalents at the beginning of the year		226 914 873	198 967 183
Cash and cash equivalents at the end of the year	6	<u>234 434 001</u>	<u>226 914 873</u>

West Coast District Municipality

Statement of Comparison of Budget and Actual Information as at 30 June 2017

Description	2016/2017				2015/2016			
	Original Budget (1 to 2016/2017)	Budget Adjustments (1 to 2016/2017)	Final adjustments (1 to 2016/2017)	Final Budget (1 to 2016/2017)	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 22 of MFMA
Financial Performance								
Property rates	112 744	-	-	112 744	114 321	101 40	-	-
Service charges	8 963	-	-	8 963	9 353	104 40	-	-
Investment income	67 024	3 310	-	70 334	69 917	102 88	-	-
Transfers received - operational	135 303	-	-	135 303	135 303	100 00	-	-
Other own revenue	248 754	3 310	-	252 063	252 270	101 46	-	-
Total Revenue (excluding capital transfers and contributions)	509 077	3 310	-	512 387	512 387	100 00	-	-
Employee costs	159 017	-	-	159 017	159 017	100 00	-	-
Remuneration of councillors	6 746	-	-	6 746	6 746	100 00	-	-
Depreciation	14 816	-	-	14 816	14 816	100 00	-	-
Depreciation of land and equipment	9 259	-	-	9 259	9 259	100 00	-	-
Finance charges	71 177	-	-	71 177	71 177	100 00	-	-
Materials and bulk purchases	85 517	-	-	85 517	85 517	100 00	-	-
Transfers and grants	3 310	-	-	3 310	3 310	100 00	-	-
Other expenditure	347 387	-	-	347 387	347 387	100 00	-	-
Total Expenditure	509 077	3 310	-	512 387	512 387	100 00	-	-
Surplus/(Deficit)	0	0	0	0	0	0	0	0
Transfers recognised - capital	11 305	-	-	11 305	11 305	100 00	-	-
Contributions recognised - capital & controlled assets	11 305	-	-	11 305	11 305	100 00	-	-
Surplus/(Deficit) after capital transfers & contributions	11 305	-	-	11 305	11 305	100 00	-	-
Share of surplus/(deficit) of associate	11 305	-	-	11 305	11 305	100 00	-	-
Surplus/(Deficit) for the year	11 305	0	0	11 305	11 305	100 00	0	0
Capital Performance								
Capital expenditure	11 305	-	-	11 305	11 305	100 00	-	-
Transfers recognised - capital	11 305	-	-	11 305	11 305	100 00	-	-
Public contributions & donations	11 305	-	-	11 305	11 305	100 00	-	-
Borrowing	11 305	-	-	11 305	11 305	100 00	-	-
Intensified guaranteed funds	11 305	-	-	11 305	11 305	100 00	-	-
Total sources of capital funds	11 305	0	0	11 305	11 305	100 00	0	0
Capital Performance								
Net cash flow (used) operating	11 305	-	-	11 305	11 305	100 00	-	-
Net cash flow (used) investing	11 305	-	-	11 305	11 305	100 00	-	-
Net cash flow (used) financing	11 305	-	-	11 305	11 305	100 00	-	-
Capital Performance at the year end	11 305	0	0	11 305	11 305	100 00	0	0
Financial Position								
Cash	100 257	-	-	100 257	100 257	100 00	-	-
Debtors	10 016	-	-	10 016	10 016	100 00	-	-
Other debtors	574	-	-	574	574	100 00	-	-
Current portion of long-term receivables	2 233	-	-	2 233	2 233	100 00	-	-
Inventory	200 899	-	-	200 899	200 899	100 00	-	-
Total current assets	303 979	0	0	303 979	303 979	100 00	0	0
Long-term receivables	15 641	-	-	15 641	15 641	100 00	-	-
Investment property	4 465	-	-	4 465	4 465	100 00	-	-
Property, plant and equipment	342 634	-	-	342 634	342 634	100 00	-	-
Intangible assets	1 316	-	-	1 316	1 316	100 00	-	-
Total non-current assets	364 056	0	0	364 056	364 056	100 00	0	0
TOTAL ASSETS	668 035	0	0	668 035	668 035	100 00	0	0
LIABILITIES								
Borrowings	15 483	-	-	15 483	15 483	100 00	-	-
Trade and other payables	55 150	-	-	55 150	55 150	100 00	-	-
Provisions	7 134	-	-	7 134	7 134	100 00	-	-
Total current liabilities	77 767	0	0	77 767	77 767	100 00	0	0
Borrowings	57 221	-	-	57 221	57 221	100 00	-	-
Provisions	50 974	-	-	50 974	50 974	100 00	-	-
Total non-current liabilities	108 195	0	0	108 195	108 195	100 00	0	0
TOTAL LIABILITIES	185 962	0	0	185 962	185 962	100 00	0	0
NET ASSETS	482 073	0	0	482 073	482 073	100 00	0	0
Accumulated Surplus / (Deficit)	351 679	-	-	351 679	351 679	100 00	-	-
TOTAL COMMUNITY WEALTH / EQUITY	482 073	0	0	482 073	482 073	100 00	0	0

GROUP 24 paragraph 16 states the management should provide reasons for the movement from original budget to the adjustment budget. Management adjusted its capital and operating budget due to the following:

Operating Budget: A higher rate on return was received on stock - item investment made for the 2016/17 financial year.

Capital Budget: Other performance due to savings on projects.

West Coast District Municipality

Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

These accounting policies are consistent with the previous period.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality. All financial information has been rounded to the nearest Rand.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.3 Transfer of functions between entities not under common control

Definitions

An acquiree is the entity and/or the functions that the acquirer obtains control of in a transfer of functions.

An acquirer is the entity that obtains control of the acquiree or transferor.

Acquisition date is the date on which the acquirer obtains control of the acquiree.

Contingent consideration is usually, an obligation of the acquirer to transfer additional assets or a residual interest to the former owners of an acquiree as part of the exchange for control of the acquiree if specified future events occur or conditions are met. However, contingent consideration also may give the acquirer the right to the return of previously transferred consideration if specified conditions are met.

Control is the power to govern the financial and operating policies of another entity so as to obtain benefit from its activities.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

A function is an integrated set of activities that is capable of being conducted and managed for purposes of achieving an entity's objectives, either by providing economic benefits or service potential.

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or
- arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A merger is the establishment of a new combined entity in which none of the former entities obtain control over any other and no acquirer can be identified.

Non-controlling interest is the interest in the net assets of a controlled municipality not attributable, directly or indirectly, to a controlling municipality.

Owners (for the purposes of this Standard), is used broadly to include holders of residual interests.

Accounting Policies

1.3 Transfer of functions between entities not under common control (continued)

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

A transfer of functions is the reorganisation and/or the re-allocation of functions between entities by transferring functions between entities or into another entity.

The acquisition method

The municipality accounts for each transfer of functions between entities not under common control by applying the acquisition method.

Applying the acquisition method requires:

- (a) identifying the acquirer;
- (b) determining the acquisition date;
- (c) recognising and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree; and
- (d) recognising the difference between (c) and the consideration transferred to the seller.

Identifying the acquirer

For each transfer of functions between entities not under common control, one of the combining entities is identified as the acquirer.

The terms and conditions of a transfer of functions undertaken between entities not under common control are set out in a binding arrangement.

Determining the acquirer includes a consideration of, amongst other things, which of the combining entities initiated the transaction or event, the relative size of the combining entities, as well as whether the assets or revenue of one of the entities involved in the transaction or event significantly exceed those of the other entities. If no acquirer can be identified, the transaction or event is accounted for in terms of the Standard of GRAP on Mergers.

Determining the acquisition date

The acquirer identifies the acquisition date, which is the date on which it obtains control of the acquiree.

All relevant facts and circumstances are considered in identifying the transfer date.

Recognising and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree

Recognition principle

As of the acquisition date, the municipality as acquirer recognises, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree.

Recognition conditions:

To qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements and the recognition criteria in the applicable Standards of GRAP at the acquisition date.

In addition, to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must be part of what the municipality as acquirer and the acquiree (or its former owners) agreed in the binding arrangement rather than the result of separate transactions.

Operating leases:

Accounting Policies

1.3 Transfer of functions between entities not under common control (continued)

The municipality as acquirer recognises no assets or liabilities related to an operating lease in which the acquiree is the lessee.

The municipality as acquirer determines whether the terms of each operating lease in which the acquiree is the lessee are favourable or unfavourable. The municipality as acquirer recognises an intangible asset if the terms of an operating lease are favourable relative to market terms and a liability if the terms are unfavourable relative to market terms.

An identifiable intangible asset may be associated with an operating lease, which may be evidenced by market participants' willingness to pay a price for the lease even if it is at market terms.

Intangible assets:

The municipality as acquirer separately recognises the identifiable intangible assets acquired in a transfer of functions. An intangible asset is identifiable if it meets either the separability criterion or the contractual-legal right criterion.

Classifying or designating identifiable assets acquired and liabilities assumed in a transfer of functions:

At the acquisition date, the municipality as acquirer classifies or designates the identifiable assets acquired and liabilities assumed as necessary to apply other Standards of GRAP subsequent to the acquisition date. The municipality as acquirer makes those classifications or designations on the basis of the terms of the binding arrangement, economic conditions, its operating or accounting policies and other relevant conditions as they exist at the acquisition date.

Measurement principle

The municipality as acquirer measures the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values.

Non-controlling interest in an acquiree:

For each transfer of functions, the municipality as acquirer measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation at either:

- fair value; or
- the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

Assets with uncertain cash flows (valuation allowances):

The municipality as acquirer does not recognise a separate valuation allowance as of the acquisition date for assets acquired in a transfer of functions that are measured at their acquisition-date fair values because the effects of uncertainty about future cash flows are included in the fair value measure.

Assets subject to operating leases in which the acquiree is the lessor:

In measuring the acquisition-date fair value of an asset such as a building or a patent that is subject to an operating lease in which the acquiree is the lessor, the municipality as acquirer takes into account the terms of the lease.

Exceptions to the recognition principles

Contingent liabilities:

The requirements in the Standard of GRAP on Employee benefits, Contingent assets and Contingent liabilities do not apply in determining which contingent liabilities to recognise as of the acquisition date. Instead, the municipality as acquirer recognises as of the acquisition date a contingent liability assumed in a transfer of functions if it is a present obligation that arises from past events and its fair value can be measured reliably.

Exceptions to both the recognition and measurement principles

Employee benefits:

The municipality as acquirer recognises and measures a liability (or asset, if any) related to the acquiree's employee benefit arrangements in accordance with the Standard of GRAP on Employee Benefits.

Accounting Policies

1.3 Transfer of functions between entities not under common control (continued)

Indemnification assets:

The seller in a transfer of functions may contractually indemnify the municipality as acquirer for the outcome of a contingency or uncertainty related to all or part of a specific asset or liability. The municipality as acquirer recognises an indemnification asset at the same time that it recognises the indemnified item measured on the same basis as the indemnified item, subject to the need for a valuation allowance for uncollectible amounts. Therefore, if the indemnification relates to an asset or a liability that is recognised at the acquisition date and measured at its acquisition-date fair value, the municipality as acquirer recognises the indemnification asset at the acquisition date measured at its acquisition-date fair value. For an indemnification asset measured at fair value, the effects of uncertainty about future cash flows because of collectability considerations are included in the fair value measure and a separate valuation allowance is not necessary.

Exceptions to the measurement principle

Reacquired rights:

The municipality as acquirer measures the value of a reacquired right recognised as an intangible asset on the basis of the remaining contractual term of the related contract or other binding arrangement regardless of whether market participants would consider potential renewals of the contract or other binding arrangement in determining its fair value.

Assets held for sale:

The municipality as acquirer measures an acquired non-current asset (or disposal group) that is classified as held for sale at the acquisition date in accordance with the Standard of GRAP on Non-current assets held for sale and Discontinued operations and the amendments to the standard.

Recognising and measuring the difference between the assets acquired and liabilities assumed and the consideration transferred (if any)

The municipality as acquirer recognises the difference between the assets acquired and liabilities assumed and the consideration transferred (if any) as of the acquisition date in surplus or deficit. This difference is measured as the excess of (a) over (b) below:

(a) the aggregate of:

- (i) the consideration transferred (if any) measured in accordance with this Standard, which generally requires acquisition-date fair value;
- (ii) the amount of any non-controlling interest in the acquiree measured in accordance with this Standard; and
- (iii) in a transfer of functions achieved in stages, the acquisition-date fair value of the entity as acquirer's previously held equity interest in the acquiree.

(b) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with this Standard.

Consideration transferred

The consideration transferred in a transfer of functions is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the municipality as acquirer, the liabilities incurred by the municipality as acquirer to former owners of the acquiree and the residual interests issued by the entity as acquirer.

Contingent consideration:

The consideration the municipality as acquirer transfers in exchange for the acquiree includes any asset or liability resulting from a contingent consideration arrangement. The municipality as acquirer recognises the acquisition-date fair value of contingent consideration as part of the consideration transferred in exchange for the acquiree.

The municipality as acquirer classifies an obligation to pay contingent consideration as a liability or as net assets on the basis of the definitions of a residual interest and a financial liability in the Standard of GRAP on Financial instruments, or other applicable Standard of GRAP. The municipality as acquirer classifies as an asset a right to the return of previously transferred consideration if specified conditions are met.

A transfer of functions achieved in stages

A municipality as acquirer sometimes obtains control of an acquiree in which it held a residual interest immediately before the acquisition date.

Accounting Policies

1.3 Transfer of functions between entities not under common control (continued)

In a transfer of functions achieved in stages, the municipality as acquirer remeasures its previously held residual interest in the acquiree at its acquisition-date fair value and recognises the resulting gain or loss, if any, in surplus or deficit. In prior reporting periods, the municipality as acquirer may have recognised changes in the value of its residual interest in the acquiree in surplus or deficit. If so, the amount that was recognised in surplus or deficit is recognised on the same basis as would be required if the municipality as acquirer had disposed directly of the previously held residual interest.

Measurement period

If the initial accounting for a transfer of functions is incomplete by the end of the reporting period in which the transfer occurs, the municipality as acquirer reports in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the municipality as acquirer retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date.

During the measurement period, the municipality as acquirer also recognises additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the municipality as acquirer receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. However, the measurement period does not exceed two years from the acquisition date.

Determining what is part of the transfer of functions transaction

The municipality as acquirer and the acquiree may have a pre-existing relationship or other arrangement before or when negotiations for the transfer of functions began, or they may enter into a binding arrangement during the negotiations that is separate from the transfer of functions. In either situation, the municipality as acquirer identifies any amounts that are not part of what the municipality as acquirer and the acquiree (or its former owners) exchanged in the transfer of functions. The acquirer recognises as part of applying the acquisition method only the consideration transferred (if any) for the acquiree and the assets acquired and liabilities assumed by the municipality as acquirer in the transfer of functions as governed by the terms and conditions of the binding arrangement.

Effective settlement of a pre-existing relationship between the municipality as acquirer and acquiree in a transfer of functions

A pre-existing relationship between the municipality as acquirer and acquiree may be contractual or non-contractual.

If the transfer of functions in effect settles a pre-existing relationship, the municipality as acquirer recognises a gain or loss, measured as follows:

- (a) for a pre-existing non-contractual relationship, fair value.
- (b) for a pre-existing contractual relationship, the lesser of (i) and (ii):
 - (i) the amount by which the binding arrangement is favourable or unfavourable from the perspective of the municipality as acquirer when compared with terms for current market transactions for the same or similar items.
 - (ii) the amount of any stated settlement provisions in the binding arrangement available to the counterparty to whom the contract is unfavourable.

If (ii) is less than (i), the difference is included as part of the transfer of functions accounting. The amount of gain or loss recognised may depend in part on whether the municipality as acquirer had previously recognised a related asset or liability, and the reported gain or loss therefore may differ from the amount calculated by applying the above requirements.

A pre-existing relationship may be a contract that the municipality as acquirer recognises as a reacquired right. If the binding arrangement includes terms that are favourable or unfavourable when compared with pricing for current market transactions for the same or similar items, the municipality as acquirer recognises, separately from the transfer of functions, a gain or loss for the effective settlement of the contract.

Acquisition-related costs:

Acquisition-related costs are costs the municipality as acquirer incurs to effect a transfer of functions. Those costs include advisory, legal, accounting, valuation and other professional or consulting fees, general administrative costs, and costs of registering and issuing debt and equity securities (if applicable). The municipality as acquirer accounts for acquisition-related costs as expenses in the periods in which the costs are incurred and the services are received, with one exception. The costs to issue debt or equity securities (if applicable) are recognised in accordance with the Standard of GRAP on Financial Instruments.

Accounting Policies

1.3 Transfer of functions between entities not under common control (continued)

Subsequent measurement and accounting

In general, an municipality as acquirer subsequently measure and account for assets acquired, liabilities assumed or incurred and the residual interest issued in a transfer of functions in accordance with other applicable Standards of GRAP for those items, depending on their nature.

Reacquired rights

A reacquired right recognised as an intangible asset is amortised over the remaining contractual period of the contract in which the right was granted. An municipality as acquirer that subsequently sells a reacquired right to a third party includes the carrying amount of the intangible asset in determining the gain or loss on the sale.

Contingent liabilities

After initial recognition and until the liability is settled, cancelled or expires, the municipality as acquirer measures a contingent liability recognised in a transfer of functions at the higher of:

- (a) the amount that would be recognised in accordance with the Standard of GRAP on Employee benefits, Contingent liabilities and Contingent assets; and
- (b) the amount initially recognised less, if appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from exchange transactions.

Indemnification assets

At the end of each subsequent reporting period, the municipality as acquirer measures an indemnification asset that was recognised at the acquisition date on the same basis as the indemnified liability or asset, subject to any limitations as set in the binding arrangement on its amount and, for an indemnification asset that is not subsequently measured at its fair value, management's assessment of the collectability of the indemnification asset. The municipality as acquirer derecognises the indemnification asset only when it collects the asset, sells it or otherwise loses the right to it.

Contingent consideration

Some changes in the fair value of contingent consideration that the municipality as acquirer recognises after the acquisition date may be the result of additional information that the municipality as acquirer obtained after that date about facts and circumstances that existed at the acquisition date. However, changes resulting from events after the acquisition date, such as meeting a performance target, or reaching a milestone on a research and development project, are not measurement period adjustments. The municipality as acquirer accounts for changes in the fair value of contingent consideration that are not measurement period adjustments as follows:

- (a) Contingent consideration classified as net assets shall not be remeasured and its subsequent settlement is accounted for within net assets.
- (b) Contingent consideration classified as an asset or a liability that:
 - (i) is a financial instrument and is within the scope of the Standard of GRAP on Financial instruments is measured at fair value, with any resulting gain or loss recognised in surplus or deficit in accordance with that Standard of GRAP.
 - (ii) is not within the scope of the Standard of GRAP on Financial instruments is accounted for in accordance with the Standard of GRAP on Employee benefits, Contingent liabilities and Contingent assets or other Standards of GRAP as appropriate.

Accounting Policies

1.4 Transfer of functions between entities under common control

Definitions

An acquirer is the municipality that obtains control of the acquiree or transferor.

Carrying amount of an asset or liability is the amount at which an asset or liability is recognised in the statement of financial position.

Control is the power to govern the financial and operating policies of another municipality so as to benefit from its activities.

A function is an integrated set of activities that is capable of being conducted and managed for purposes of achieving an municipality's objectives, either by providing economic benefits or service potential.

A merger is the establishment of a new combined entity in which none of the former entities obtains control over any other and no acquirer can be identified.

Transfer date is the date on which the acquirer obtains control of the function and the transferor loses control of that function.

A transfer of functions is the reorganisation and/or the re-allocation of functions between entities by transferring functions between entities or into another municipality.

A transferor is the municipality that relinquishes control of a function.

Common control – For a transaction or event to occur between entities under common control, the transaction or event needs to be undertaken between entities within the same sphere of government or between entities that are part of the same economic entity. Entities that are ultimately controlled by the same entity before and after the transfer of functions are within the same economic entity.

A function is an integrated set of activities that is capable of being conducted and managed for purposes of achieving an municipality's objectives, either by providing economic benefits or service potential. A function consists of inputs and processes applied to those inputs that have the ability to create outputs. A function can either be a part or a portion of an entity or can consist of the whole municipality. Although functions may have outputs, outputs are not required to qualify as a function. The three elements of a function are defined as follows:

- Input: Any resource that creates, or has the ability to create, outputs when one or more processes are applied to it.
- Process: Any system, standard, protocol, convention or rule that when applied to an input or inputs, creates or has the ability to create outputs.
- Output: The result of inputs and processes applied to achieve and improve efficiency. This may be in the form of achieving service delivery objectives, or the delivery of goods and/or services.

Identifying the acquirer and transferor

For each transfer of functions between entities under common control an acquirer and transferor are identified. All relevant facts and circumstances are considered in identifying the acquirer and transferor.

The terms and conditions of a transfer of functions undertaken between entities under common control are set out in a binding arrangement. The binding arrangement governing the terms and conditions of a transfer of functions may identify which municipality to the transaction or event is the transferor(s) and which municipality is the acquirer. Where the binding arrangement does not clearly identify the acquirer or the transferor, the behaviour or actions of the entities may indicate which municipality is the acquirer and which municipality is the transferor.

Determining the acquirer includes a consideration of, amongst other things, which of the entities involved in the transfer of functions initiated the transaction or event, the relative size of the entities, as well as whether the assets or revenue of one of the entities involved in the transaction or event significantly exceed those of the other entities. If no acquirer can be identified, the transaction or event is accounted for in terms of the Standard of GRAP on Mergers.

Determining the transfer date

The acquirer and the transferor identify the transfer date, which is the date on which the acquirer obtains control and the transferor loses control of that function.

All relevant facts and circumstances are considered in identifying the transfer date.

Accounting Policies

1.4 Transfer of functions between entities under common control (continued)

Assets acquired [transferred] and liabilities assumed [relinquished]

The recognition of assets and liabilities, is subject to the following conditions:

The assets acquired and the liabilities assumed are part of what had been agreed in terms of the binding arrangement (if applicable), rather than the result of separate transactions.

Determining what is part of the transfer of functions transaction

Where the municipality and the transferor have a pre-existing relationship before or when negotiations for a transfer of functions began, or where a binding arrangement is entered into during the negotiations that are separate from a transfer of functions, any amounts that are not part of what were transferred in a transfer of functions are identified. This policy only applies to the consideration transferred and the assets acquired and liabilities assumed in a transfer of functions as governed by the terms and conditions of the binding arrangement.

The following factors are considered, which are neither mutually exclusive nor individually conclusive, to determine whether a transaction is part of a transfer or function or whether the transaction is separate:

- the reasons for the transaction
- the timing of the transaction

Effective settlement of a pre-existing relationship between the entity (as acquirer) and transferor in a transfer of functions

A pre-existing relationship between the municipality (as acquirer) and the transferor may be contractual or non-contractual. If a transfer of functions in effect settles a pre-existing relationship, the entity (as acquirer) recognises a gain or loss, measured as follows:

- for a pre-existing non-contractual relationship, fair value.
- for a pre-existing contractual relationship, the lesser of the following:
 - the amount by which the binding arrangement is favourable or unfavourable from the perspective of the municipality (as acquirer) when compared with terms for current market transactions for the same or similar items.
 - the amount of any stated settlement provisions in the binding arrangement available to the counterparty to whom the contract is unfavourable.

If the latter is less, the difference is included as part of a transfer of functions accounting. The amount of gain or loss recognised may depend in part on whether the municipality (as acquirer) had previously recognised a related asset or liability, and the reported gain or loss therefore may differ from the amount calculated by applying the above requirements.

Other criteria for the entity (as acquirer)

The assets acquired and liabilities assumed that qualify for recognition as set out in the binding arrangement meets the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements and the recognition criteria in the applicable Standards of GRAP at the transfer date.

Costs that the municipality expects, but which it is not obliged to incur in the future to effect its plan to exit an activity of the transferor or to terminate the employment of, or relocate the transferor's employees, is not accounted for as part of the liabilities at the transfer date. The municipality does not recognise those costs as part of a transfer of functions. Instead, the municipality recognises these costs in its annual financial statements after the transfer has occurred, in accordance with the applicable Standards of GRAP.

Accounting Policies

1.4 Transfer of functions between entities under common control (continued)

Accounting by the entity as acquirer

Initial recognition and measurement

As of the transfer date, the municipality recognises the purchase consideration paid to the transferor and all the assets acquired and liabilities assumed in a transfer of functions. The assets acquired and liabilities assumed are measured at their carrying amounts.

If, prior to the transfer of functions, the transferor was not applying the accrual basis of accounting, the transferor changes its basis of accounting to the accrual basis of accounting prior to the transfer.

The consideration paid by the municipality can be in the form of cash, cash equivalents or other assets. If the consideration paid is in the form of other assets, the municipality de-recognises such assets on the transfer date at their carrying amounts.

The difference between the carrying amounts of the assets acquired, the liabilities assumed and the consideration paid to the transferor, is recognised in accumulated surplus or deficit.

Measurement period

If the initial accounting for a transfer of functions is incomplete by the end of the reporting period in which the transfer occurs, the municipality reports in its annual financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the municipality retrospectively adjust the provisional amounts recognised at the transfer date to reflect new information obtained about facts and circumstances that existed as of the transfer date and, if known, would have affected the measurement of the amounts recognised as of that date. The measurement period ends as soon as the municipality receives the information it was seeking about facts and circumstances that existed as of the transfer date or learns that more information is not obtainable. However, the measurement period does not exceed two years from the transfer date.

The municipality considers all relevant factors in determining whether information obtained after the transfer date should result in an adjustment to the provisional amounts recognised or whether that information results from events that occurred after the transfer date.

The municipality recognises an increase (decrease) in the provisional amount recognised for an asset (liability) by means of decreasing (increasing) the excess of the purchase consideration paid over the carrying amount of the assets acquired and liabilities assumed previously recognised in accumulated surplus or deficit. However, new information obtained during the measurement period may sometimes result in an adjustment to the provisional amount of more than one asset or liability.

During the measurement period, the municipality recognises adjustments to the provisional amounts as if the accounting for the transfer of functions had been completed at the transfer date. Thus, the municipality revises comparative information for prior periods presented in annual financial statements as needed, including making any change in depreciation, amortisation or other income effects recognised in completing the initial accounting.

After the measurement period ends, the municipality revises the accounting for a transfer of functions only to correct an error in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

Acquisition-related costs

Acquisition-related costs are costs that the municipality incurs to affect the transfer of functions. These costs include advisory, legal, accounting and other professional or consulting fees, general administrative costs, and costs of registering and issuing debt and equity securities. The entity accounts for acquisition-related costs as expenses in the period in which the costs are incurred and the services are received, with the exception of the costs incurred to issue debt or equity securities, which are recognised in accordance with the Standard of GRAP on Financial Instruments.

Subsequent measurement

The municipality subsequently measure any assets acquired and any liabilities assumed in a transfer of functions in accordance with the applicable Standards of GRAP.

Accounting Policies

1.4 Transfer of functions between entities under common control (continued)

At the transfer date, the municipality classifies or designates the assets acquired and liabilities assumed as necessary to apply other Standards of GRAP subsequently. The municipality makes those classifications or designations on the basis of the terms of the binding arrangement, economic conditions, its operating or accounting policies and other relevant conditions that exist at the transfer date. An exception is that the municipality classifies the following contracts on the basis of the contractual terms and other factors at the inception of the contract (or, if the terms of the contract have been modified in a manner that would change its classification, at the date of that modification, which might be the transfer date):

- classification of a lease contract as either an operating lease or a finance lease in accordance with the Standard of GRAP on Leases; and
- classification of a contract as an insurance contract in accordance with the International Financial Reporting Standard on Insurance Contracts.

Accounting by the entity as transferor

Derecognition of assets transferred and liabilities relinquished

As of the transfer date, the municipality derecognises from its annual financial statements, all the assets transferred and liabilities relinquished in a transfer of functions at their carrying amounts.

Until the transfer date, the municipality continues to measure these assets and liabilities in accordance with applicable Standards of GRAP.

The consideration received from the acquirer can be in the form of cash, cash equivalents or other assets. If the consideration received is in the form of other assets, the municipality measures such assets at their fair value on the transfer date in accordance with the applicable Standard of GRAP. The difference between the carrying amounts of the assets transferred, the liabilities relinquished and the consideration received from the acquirer is recognised in accumulated surplus or deficit.

1.5 Mergers

Definitions

Carrying amount of an asset or liability is the amount at which an asset or liability is recognised in the statement of financial position.

Combined municipality is a new reporting entity formed from the combination of two or more entities.

Combining entities are the entities that are combined for the mutual sharing of risks and benefits in a merger.

Control is the power to govern the financial and operating policies of another municipality so as to benefit from its activities.

A merger is the establishment of a new combined municipality in which none of the former entities obtain control over any other and no acquirer can be identified.

Merger date is the date on which entities are combined for the mutual sharing of risks and benefits and when the assets and liabilities are transferred to the combined municipality.

A transfer of functions is the reorganisation and/or the re-allocation of functions between entities by transferring functions between entities or into another municipality.

A merger is the establishment of a new combined municipality in which none of the former entities obtains control over any other and no acquirer can be identified. As no acquirer can be identified, a merger does not result in a municipality having or obtaining control over any of the entities that are involved in the transaction or event, as the combining entities are not controlled entities of each other, either before or after the merger.

Identifying the combined entity and combining entities

For each merger a combined municipality and combining entities is identified. All relevant facts and circumstances are considered in identifying the combined municipality and combining municipality.

The binding arrangement usually sets out which entities are to be combined as a result of the merger, and identifies the new reporting municipality after the merger.

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Accounting Policies

1.5 Mergers (continued)

Determining the merger date

The combined municipality and the combining entities identify the merger date, which is the date on which the new reporting municipality obtains control of the assets and liabilities and the combining entities loses control of their assets and liabilities.

All relevant facts and circumstances are considered in identifying the merger date.

Assets acquired [transferred] and liabilities assumed [derecognised]

The recognition of assets and liabilities by the entity as combined entity are subject to the following conditions:

The assets and liabilities that qualify for recognition in a merger are part of what had been agreed in terms of the binding arrangement, rather than the result of separate transactions.

Other criteria for the entity (as the combined entity)

The assets and liabilities that qualify for recognition as set out in the binding arrangement meets the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements and the recognition criteria in the applicable Standards of GRAP at the merger date.

Costs that the entity expects but which the municipality is not obliged to incur in the future to effect its plan to exit an activity of the combining entities or to terminate the employment of, or relocate the combining entities' employees, is not be accounted for as part of the liabilities at the merger date. The entity does not recognise those costs as part of a merger. Instead, the municipality recognises these costs in its annual financial statements after the merger has occurred, in accordance with the applicable Standards of GRAP.

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Accounting Policies

1.5 Mergers (continued)

Accounting by the entity as the combined entity

Initial recognition and measurement

As of the merger date, the municipality recognises all the assets acquired and liabilities assumed. The assets acquired and liabilities assumed are measured at their carrying amounts.

If, prior to the merger, a combining municipality was not applying the accrual basis of accounting, that combining municipality changes its basis of accounting to the accrual basis of accounting prior to the merger.

The difference between the carrying amounts of the assets acquired and the liabilities assumed is recognised in accumulated surplus or deficit.

Measurement period

If the initial accounting for a merger is incomplete by the end of the reporting period in which the merger occurs, the municipality reports in its annual financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the municipality retrospectively adjust the provisional amounts recognised at the merger date to reflect new information obtained about facts and circumstances that existed as of the merger date and, if known, would have affected the measurement of the amounts recognised as of that date. The measurement period ends as soon as the municipality receives the information it was seeking about facts and circumstances that existed as of the merger date or learns that more information is not obtainable. However, the measurement period does not exceed two years from the merger date.

The municipality considers all relevant factors in determining whether information obtained after the merger date should result in an adjustment to the provisional amounts recognised or whether that information results from events that occurred after the merger date. Relevant factors include the date when additional information is obtained and whether the municipality can identify a reason for a change to provisional amounts.

The municipality recognises an increase (decrease) in the provisional amount recognised for an asset (liability) by means of decreasing (increasing) the excess of the purchase consideration paid over the carrying amount of the assets acquired and liabilities assumed previously recognised in accumulated surplus or deficit.

During the measurement period, the municipality recognises adjustments to the provisional amounts as if the accounting for the merger had been completed at the merger date. Thus, the municipality revises comparative information for prior periods presented in annual financial statements as needed, including making any change in depreciation, amortisation or other income effects recognised in completing the initial accounting.

After the measurement period ends, the municipality revises the accounting for a merger only to correct an error in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

Expenditure incurred in relation to the merger

Expenditures incurred in relation to the merger are costs that the entity incurs to effect the merger. These costs include advisory, legal, accounting and other professional or consulting fees, general administrative costs, costs to furnish information to owners of the combining entities, and salaries and other expenses related to services of employees involved in achieving the merger. It also includes costs or losses incurred in combining the assets and liabilities of the combining entities. The municipality accounts for such expenditure as expenses in the period in which the costs are incurred.

Subsequent measurement

The municipality subsequently measures any assets acquired and any liabilities assumed in a merger in accordance with the applicable Standards of GRAP.

At the merger date, the municipality classifies or designates the assets acquired and liabilities assumed as necessary to apply other Standards of GRAP subsequently. The municipality makes those classifications or designations on the basis of the terms of the binding arrangement, economic conditions, the operating or accounting policies and other relevant conditions as these exist at the merger date. An exception is that the municipality classifies the following contracts on the basis of the contractual terms and other factors at the inception of the contract (or, if the terms of the contract have been modified in a manner that would change its classification, at the date of that modification, which might be the merger date):

- classification of a lease contract as either an operating lease or a finance lease in accordance with the Standard of GRAP on Leases; and

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Accounting Policies

1.5 Mergers (continued)

- classification of a contract as an insurance contract in accordance with the International Financial Reporting Standard on Insurance Contracts.

The annual financial statements of the municipality are prepared using uniform accounting policies for similar transactions and other events or similar circumstances.

Accounting by entity as the combining entity

Assets transferred and liabilities de-recognised

As of the merger date, the municipality as the combining entity transfer and de-recognise from its annual financial statements, all the assets and liabilities de-recognised at their carrying amounts.

Until the merger date, the municipality continues to measure these assets and liabilities in accordance with applicable Standards of GRAP.

The difference between the carrying amounts of the assets transferred and the liabilities de-recognised are recognised in accumulated surplus or deficit.

1.6 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Cost model

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value over the useful life of the property, which is as follows:

Item	Useful life
Property - beach development	25 to 50 years

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

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Accounting Policies

1.7 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised. If expenditure only restores the originally assessed standard of performance, it is regarded as repairs and maintenance and are expensed. The enhancement of an existing asset so that its use is expanded or the further development of an asset so that its original life is extended are examples of subsequent expenditure which should be capitalised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major spare parts and standby equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and standby equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment under construction - This cost include all expenditure related directly to specific projects still in progress at period end. Incomplete construction work is stated as historical cost.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land	Straight line	Infinite
Buildings	Straight line	25 to 30
Other Structures (Infrastructure)	Straight line	0 to 100

West Coast District Municipality

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Accounting Policies

1.7 Property, plant and equipment (continued)

Other

Straight line

2 to 22

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value, depreciation method and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

Borrowing cost are treated in accordance with the provision of GRAP 5 using the allowed alternative treatment. In accordance with these provisions borrowing costs are interest and other costs incurred in connection with the borrowing of money. Borrowing costs directly attributed to the acquisition, construction or production of a qualifying asset are capitalised. Borrowing costs incurred other than in a qualifying asset are recognised as an expense in surplus or deficit when incurred. The amount of borrowing costs capitalised is limited to the actual borrowing costs incurred on the borrowing less any investment income on the temporary investment of the funds borrowed.

1.8 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

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Accounting Policies

1.8 Intangible assets (continued)

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Intangible assets	Straight line	5 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised..

1.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one municipality and a financial liability or a residual interest of another municipality.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an municipality on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an municipality's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

Accounting Policies

1.9 Financial instruments (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an municipality shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the municipality shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another municipality; or
- a contractual right to:
 - receive cash or another financial asset from another municipality; or
 - exchange financial assets or financial liabilities with another municipality under conditions that are potentially favourable to the municipality.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another municipality; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the municipality.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an municipality in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an municipality after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an municipality's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an municipality.

Accounting Policies

1.9 Financial Instruments (continued)

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the municipality had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the municipality designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Classification

The municipality has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Other trade receivables from non-exchange transactions	Financial asset measured at fair value
Cash and cash equivalents	Financial asset measured at fair value
Trade receivables from exchange transactions	Financial asset measured at fair value

The municipality has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Trade and other payables from exchange transactions	Financial liability measured at fair value
Unspent conditional grants and receipts	Financial liability measured at fair value
Long-term liabilities	Financial liability measured at amortised cost

Trade and other payables are initially measured at fair value plus transaction costs that are directly attributed to the acquisition and are subsequently measured at amortised cost using the effective interest rate method.

Trade and other receivables are initially recognised at fair value plus transaction cost that directly attributed to the acquisition and subsequently stated at amortised cost, less provision for impairment. This provision is based on a review of all outstanding amounts at year end and is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms. The amount of the provision is the effective interest rate. Bad debts are written off during the year in which they are identified. Subsequent recoveries of amounts previously written off are credited against the relevant revenue stream in the statement of financial performance.

Long term financial liabilities are classified as financial liabilities that are measured at amortised cost.

Cash and cash equivalents includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions and are subject to an insignificant risk of change in value. For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investment in financial instruments, net bank overdrafts. Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred.

Accounting Policies

1.9 Financial Instruments (continued)

Initial recognition

The municipality recognises a financial asset or a financial liability in its statement of financial position when the municipality becomes a party to the contractual provisions of the instrument.

The municipality recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The municipality measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

The municipality first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the municipality analyses a concessionary loan into its component parts and accounts for each component separately. The municipality accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Accounting Policies

1.9 Financial Instruments (continued)

Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the municipality establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

Short-term receivables and payables are not discounted where the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The municipality assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Financial assets measured at cost:

Accounting Policies

1.9 Financial instruments (continued)

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Accounting Policies

1.9 Financial instruments (continued)

Derecognition

Financial assets

The municipality derecognises financial assets using trade date accounting.

The municipality derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the municipality, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality :
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the municipality transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the municipality has retained substantially all the risks and rewards of ownership of the transferred asset, the municipality continue to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the municipality recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Financial liabilities

The municipality removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

Accounting Policies

1.9 Financial instruments (continued)

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another municipality by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

1.10 Value added tax

The municipality accounts for Value Added Tax (VAT) on the cash basis. The municipality is liable to account for VAT at the standard rate (14%) in terms of section 7 (1) (a) of the VAT Act, in respect of the supply of goods or services except where the supplies are specifically zero - rated in terms of section 11, exempted in terms of section 12 of the VAT Act or out of scope for VAT purposes. The timing of payments to / from the South African Revenue Service is on the twenty fifth day of each of the twelve months of the financial year.

1.11 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessor

The municipality recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the municipality's net investment in the finance lease.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the 8.5%.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. The difference between the amounts recognised as revenue and the contractual receipts are recognised as an operating lease asset or liability.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

Accounting Policies

1.12 Inventory

Inventory are initially measured at cost except where inventory are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventory are measured at the lower of cost and net realisable value.

Inventory are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventory comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to their present location and condition.

The cost of inventory of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventory is assigned using the weighted average cost formula. The same cost formula is used for all inventory having a similar nature and use to the municipality.

When inventory are sold, the carrying amounts of those inventory are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventory to net realisable value or current replacement cost and all losses of inventory are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventory, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventory recognised as an expense in the period in which the reversal occurs.

Water inventory represents water housed in dams within the municipal area and is measured at the lower of cost, which is deemed to be fair value, and net realisable value. In the absence of a market that trades in water outside of local government the fair value utilised to quantify water inventory is based on the unit reference value. The unit reference value is determined by a formula that is utilised in the engineering department to calculate the development cost of new water resources.

The water levels in the dams are based on cubic meter capacity taking into account the capacity of the dam, based on land surveying reports and the curve of the dam. Readings of water levels are taken at year-end, which is quantified at the above fair value. Water and purified effluent are measured at the lower of purified cost and net realisable value insofar as it is stored and controlled in reservoirs at year-end.

1.13 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Accounting Policies

1.13 Impairment of cash-generating assets (continued)

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the municipality; or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also test a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Basis for estimates of future cash flows

In measuring value in use the municipality:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

Composition of estimates of future cash flows

Estimates of future cash flows include:

- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flows exclude:

- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the municipality expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

Accounting Policies

1.13 Impairment of cash-generating assets (continued)

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Accounting Policies

1.13 Impairment of cash-generating assets (continued)

Reversal of impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.14 Impairment of non-cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Accounting Policies

1.14 Impairment of non-cash-generating assets (continued)

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the municipality; or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also test a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Accounting Policies

1.14 Impairment of non-cash-generating assets (continued)

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.15 Employee benefits

Employee benefits are all forms of consideration given by an municipality in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting municipality, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting municipality's own creditors (even in liquidation) and cannot be paid to the reporting municipality, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting municipality to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an municipality's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an municipality's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Accounting Policies

1.15 Employee benefits (continued)

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The municipality measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when the municipality has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an municipality provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

Accounting Policies

1.15 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the municipality recognise actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting municipality) that are held by an municipality (a fund) that is legally separate from the reporting municipality and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting municipality's own creditors (even in liquidation), and cannot be returned to the reporting municipality, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting municipality; or
- the assets are returned to the reporting municipality to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognise past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The entity account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the municipality's informal practices. Informal practices give rise to a constructive obligation where the municipality has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the municipality's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The municipality measure the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

Accounting Policies

1.15 Employee benefits (continued)

The municipality determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The municipality recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The municipality uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, an municipality shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, an municipality shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The municipality recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the municipality re-measure the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is [OR is not] presented as the net of the amount recognised for a reimbursement.

The municipality offsets an asset relating to one plan against a liability relating to another plan when the municipality has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

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Accounting Policies

1.15 Employee benefits (continued)

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs. An Actuarial valuation was performed and a liability was determined as a result of the actuarial valuation. The actuarial valuation will be revised on an annual basis.

Other post retirement obligations

The municipality provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The municipality shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

Accounting Policies

1.15 Employee benefits (continued)

Termination benefits

The municipality recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The entity is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.16 Provisions

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If an municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Accounting Policies

1.16 Provisions (continued)

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of a activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

1.17 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Accounting Policies

1.17 Revenue from exchange transactions (continued)

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service charges relating to distribution of water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption based on the consumption history, are made on a monthly basis when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without it being invoiced. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is raised based on the average monthly consumption. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters are read. These adjustments are recognised as revenue in the invoicing period.

Service charges relating to refuse removal are recognised on a monthly basis by applying the approved tariff to each property receiving services. Tariffs are determined per category of property and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service charges relating to sewerage and sanitation services are based on the type of service and the number of sewer connections on all developed property, using the tariffs approved by Council. Revenue is recognised on a monthly basis..

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Rental income from operating leases is recognised on a straight line basis over the lease term.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant services is rendered by applying the relevant authorised tariff. This includes the issuing of licences and permits.

Commission for agency services is recognised as per the service level agreement with the municipality. The percentage calculated during a financial year are based on the total funds received from the agent.

1.18 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Accounting Policies

1.18 Revenue from non-exchange transactions (continued)

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arises when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Revenue from rates, including collection charges and penalty interest, is recognised on a monthly basis when the taxes are levied as this is regarded to be the date when it is probable that the economic benefits or service potential will flow to the municipality, the amount of the revenue can be measured reliably and there has been compliance with the relevant legal requirements.

Revenue from donations is recognised when it is probable that the economic benefits or service potential will flow to the municipality, the amount of the revenue can be measured reliably and any restrictions associated with the donation have been met.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legal procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Revenue from unconditional grants is recognised when it is probable that the economic benefits or service potential will flow to the municipality, the amount of the revenue can be measured reliably. Since these grants are unconditional and there are no attached stipulations, the grants are recognised as revenue or, if the recognition criteria had been met, as assets in the reporting period in which they are received or receivable.

Revenue from conditional grants is recognised when it is probable that the economic benefits or service potential will flow to the municipality, the amount of the revenue can be measured reliably and to the extent that there has been compliance with any restrictions associated with the grant.

Accounting Policies

1.18 Revenue from non-exchange transactions (continued)

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Transfers

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

The municipality makes use of estimates to determine the amount of revenue that it is entitled to collect. Where settlement discounts or reductions in the amount payable are offered, the municipality considers past history in assessing the likelihood these discounts or reductions being taken up by debtors.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Services in-kind

Services in-kind are recognised as revenue and as assets when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

1.19 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset when it is probable that they will result in future economic benefits or service potential to the municipality, and the costs can be measured reliably. The municipality applies this consistently to all borrowing costs that are directly attributable to the acquisition, construction, or production of all qualifying assets of the municipality. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any investment income on the temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the municipality on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

Accounting Policies

1.19 Borrowing costs (continued)

The capitalisation of borrowing costs commences when all the following conditions have been met:

- expenditures for the asset have been incurred;
- borrowing costs have been incurred; and
- activities that are necessary to prepare the asset for its intended use or sale are undertaken.

When the carrying amount or the expected ultimate cost of the qualifying asset exceeds its recoverable amount or recoverable service amount or net realisable value or replacement cost, the carrying amount is written down or written off in accordance with the accounting policy on Impairment of Assets and Inventories as per accounting policy number 1.12, 1.13 and 1.14. In certain circumstances, the amount of the write-down or write-off is written back in accordance with the same accounting policy.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

When the municipality completes the construction of a qualifying asset in parts and each part is capable of being used while construction continues on other parts, the municipality ceases capitalising borrowing costs when it completes substantially all the activities necessary to prepare that part for its intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.20 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatement of comparative information. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.21 Unauthorised expenditure

Unauthorised expenditure means any expenditure incurred by the municipality otherwise than in accordance with section 15 or 11 (3) of the Municipal Finance Management Act (Act No 56 of 2003), and includes:

- overspending of the total amount appropriated in the municipality's approved budget;;
- overspending of the total amount appropriated for a vote in the approved budget;;
- expenditure from a vote unrelated to the department or functional area covered by the vote;
- expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- a grant by the municipality otherwise than in accordance with the Municipal Finance Management Act.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.22 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.23 Irregular expenditure

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

West Coast District Municipality

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Accounting Policies

1.23 Irregular expenditure (continued)

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.24 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessment of users made on the basis of the annual financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is defined as 1% of the total operating expenditure. The materiality is from management's perspective and does not correlate with the auditor's materiality.

1.25 Contingencies

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

A contingent liability:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality; or
- a present obligation that arises from past events but is not recognised because;
- it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation;
- the amount of the obligation cannot be measured with sufficient reliability.

1.26 Capital commitments

Items are classified as commitments when the municipality has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised capital commitments, which are disclosed in note 34.

Commitments for which disclosure is necessary to achieve a fair presentation are disclosed if both the following criteria are met:

- contracts are non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- contracts related to something other than the routine, steady, state business of the municipality - therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.27 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

West Coast District Municipality

Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1.27 Budget information (continued)

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a cash basis and presented by functional classification linked to performance outcome objectives.

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are not on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts. Explanations of significant variances greater than ten percent or five hundred thousand rand versus the budget are given in appendix A.

1.28 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.29 Accumulated surplus

The accumulated surplus represents the net difference between the total assets and the total liabilities of the municipality. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus/deficit. Prior year adjustments relating to income and expenditure, are debited/credited against accumulated surplus when retrospective adjustments are made.

1.30 Critical accounting estimates and judgements

The provisions represents management's best estimate of the municipality's exposure. The probability that an outflow of economic resources will be required to settle the obligation must be assessed and a reliable estimate must be made of the amount of the obligation. Actual results may, however, differ from these estimates.

Management has made estimates of the selling price and direct cost to sell of certain inventory items to calculate the allowance to write down to the lower of cost or net realisable value. The write down is zero.

The present value of the post retirement obligation depends on a number of factors that are determined on a actuarial basis using a number of assumptions, which include the discount rate. Any changes in these assumptions will impact in the carrying amount of post retirement obligations.

The estimation of useful lives of assets is based on management's judgement. Any material adjustments to the estimated remaining useful lives of items of property, plant and equipment will have an impact on the carrying value of these items.

Where impairment indicators exist, the determination of the recoverable amount of assets or cash generating units require management to make assumptions to determine the fair value less cost to sell. Key assumptions on which management has based its determination of fair values less costs to sell include projected revenues, earnings multiple, capital expenditure and market share. The judgements, assumptions and methodologies used can have a material impact on the fair value and ultimately the amount of the impairment.

Where impairment indicators exist, the determination of the recoverable service amount of a non-cash generating asset requires management to make assumptions to determine the fair value less cost to sell and the value in use based on the depreciated replacement cost model. Key assumptions include the current replacement cost of non-cash generating assets and in certain instances an assumption about the commissioning date which determines the depreciated replacement cost of the non-cash generating assets.

Accounting Policies

1.30 Critical accounting estimates and judgements (continued)

An estimate for the impairment of receivables is made when collection of the full amount is no longer probable. The provision for doubtful debt is calculated on trade receivables only, i.e. service debtors, housing rentals and other debtors. The total impairment provision of the municipality is calculated per risk category.

1.31 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

West Coast District Municipality

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Notes to the Annual Financial Statements

Figures in Rand

2017

2016

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2017 or later periods:

GRAP 34: Separate Financial Statements

The objective of this Standard is to prescribe the accounting and disclosure requirements for investments in controlled entities, joint ventures and associates when an entity prepares separate financial statements.

It furthermore covers Definitions, Preparation of separate financial statements, Disclosure, Transitional provisions and Effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 35: Consolidated Financial Statements

The objective of this Standard is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

To meet this objective, the Standard:

- requires an entity (the controlling entity) that controls one or more other entities (controlled entities) to present consolidated financial statements;
- defines the principle of control, and establishes control as the basis for consolidation;
- sets out how to apply the principle of control to identify whether an entity controls another entity and therefore must consolidate that entity;
- sets out the accounting requirements for the preparation of consolidated financial statements; and
- defines an investment entity and sets out an exception to consolidating particular controlled entities of an investment entity.

It furthermore covers Definitions, Control, Accounting requirements, Investment entities: Fair value requirement, Transitional provisions and Effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 36: Investments in Associates and Joint Ventures

The objective of this Standard is to prescribe the accounting for investments in associates and joint ventures and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

It furthermore covers Definitions, Significant influence, Equity method, Application of the equity method, Separate financial statements, Transitional provisions and Effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 37: Joint Arrangements

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

The objective of this Standard is to establish principles for financial reporting by entities that have an interest in arrangements that are controlled jointly (i.e. joint arrangements).

To meet this objective, the Standard defines joint control and requires an entity that is a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and to account for those rights and obligations in accordance with that type of joint arrangement.

It furthermore covers Definitions, Joint arrangements, Financial statements and parties to a joint arrangement, Separate financial statements, Transitional provisions and Effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 38: Disclosure of Interests in Other Entities

The objective of this Standard is to require an entity to disclose information that enables users of its financial statements to evaluate:

- the nature of, and risks associated with, its interests in controlled entities, unconsolidated controlled entities, joint arrangements and associates, and structured entities that are not consolidated; and
- the effects of those interests on its financial position, financial performance and cash flows.

It furthermore covers Definitions, Disclosing information about interests in other entities, Significant judgements and assumptions, Investment entity status, Interests in controlled entities, Interests in joint arrangements and associates, Interests in structured entities that are not consolidated, Non-qualitative ownership interests, Controlling interests acquired with the intention of disposal, Transitional provisions and Effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 110: Living and Non-living Resources

The objective of this Standard is to prescribe the:

- recognition, measurement, presentation and disclosure requirements for living resources; and
- disclosure requirements for non-living resources

It furthermore covers Definitions, Recognition, Measurement, Depreciation, Impairment, Compensation for impairment, Transfers, Derecognition, Disclosure, Transitional provisions and Effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

IGRAP 18: Interpretation of the Standard of GRAP on Recognition and Derecognition of Land

This Interpretation of the Standards of GRAP applies to the initial recognition and derecognition of land in an entity's financial statements. It also considers joint control of land by more than one entity.

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

When an entity concludes that it controls the land after applying the principles in this Interpretation of the Standards of GRAP, it applies the applicable Standard of GRAP, i.e. the Standard of GRAP on Inventories, Investment Property (GRAP 16), Property, Plant and Equipment (GRAP 17) or Heritage Assets. As this Interpretation of the Standards of GRAP does not apply to the classification, initial and subsequent measurement, presentation and disclosure requirements of land, the entity applies the applicable Standard of GRAP to account for the land once control of the land has been determined. An entity also applies the applicable Standards of GRAP to the derecognition of land when it concludes that it does not control the land after applying the principles in this Interpretation of the Standards of GRAP.

In accordance with the principles in the Standards of GRAP, buildings and other structures on the land are accounted for separately. These assets are accounted for separately as the future economic benefits or service potential embodied in the land differs from those included in buildings and other structures. The recognition and derecognition of buildings and other structures are not addressed in this Interpretation of the Standards of GRAP.

The effective date of the interpretation is for years beginning on or after 01 April 2019.

The municipality expects to adopt the interpretation for the first time in the 2019 annual financial statements.

It is unlikely that the interpretation will have a material impact on the municipality's annual financial statements.

GRAP 12 (as amended 2016): Inventories

Amendments to the Standard of GRAP on Inventories resulted from inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IPSAS 12 on Inventories (IPSAS 12) as a result of the IPSASB's Improvements to IPSASs 2015 issued in March 2016.

The most significant changes to the Standard are:

- General improvements: To clarify the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23 (paragraph .12)
- IPSASB amendments: To align terminology in GRAP 12 with that in IPSAS 12. The term "ammunition" in IPSAS 12 was replaced with the term "military inventories" and provides a description of what it comprises in accordance with Government Finance Statistics terminology

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP 16 (as amended 2016): Investment Property

Amendments to the Standard of GRAP on Investment Property resulted from editorial changes to the original text and inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IAS 40 on Investment Property (IAS 40) as a result of the IASB's amendments on Annual Improvements to IFRSs 2011 – 2013 Cycle issued in December 2013.

The most significant changes to the Standard are:

- General improvements: To clarify the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23 (paragraph .12); and To clarify the measurement principle when assets may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets.
- IASB amendments: To clarify the interrelationship between the Standards of GRAP on Transfer of Functions Between Entities Not Under Common Control and Investment Property when classifying investment property or owner-occupied property.

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

GRAP 17 (as amended 2016): Property, Plant and Equipment

Amendments to the Standard of GRAP on Property, Plant and Equipment resulted from editorial changes to the original text and inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IPSAS 17 on Property, Plant and Equipment (IPSAS 17) as a result of the IPSASB's Improvements to IPSASs 2014 issued in January 2015 and Improvements to IPSASs 2015 issued in March 2016.

The most significant changes to the Standard are:

- General improvements: To clarify the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23 (paragraph .12); and To clarify the measurement principle when assets may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets.
- IPSASB amendments: To clarify the revaluation methodology of the carrying amount and accumulated depreciation when an item of property, plant, and equipment is revalued; To clarify acceptable methods of depreciating assets; To align terminology in GRAP 17 with that in IPSAS 17. The term "specialist military equipment" in IPSAS 17 was replaced with the term "weapon systems" and provides a description of what it comprises in accordance with Government Finance Statistics terminology; and To define a bearer plant and include bearer plants within the scope of GRAP 17, while the produce growing on bearer plants will remain within the scope of GRAP 27.

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP 18 (as amended 2016): Segment Reporting

Amendments to the Standard of GRAP on Segment Reporting resulted from editorial and other changes to the original text have been made to ensure consistency with other Standards of GRAP.

The most significant changes to the Standard are:

- General improvements: An appendix with illustrative segment disclosures has been deleted from the Standard as the National Treasury has issued complete examples as part of its implementation guidance.

The effective date of the amendment is for years beginning on or after 01 April 2018

The municipality expects to adopt the amendment for the first time when the Minister sets the effective date for the amendment.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP 27 (as amended 2016): Agriculture

Amendments to the Standard of GRAP on Agriculture resulted from changes made to IPSAS 27 on Agriculture (IPSAS 27) as a result of the IPSASB's Improvements to IPSASs 2015 issued in March 2016.

The most significant changes to the Standard are:

- IPSASB amendments: To define a bearer plant and include bearer plants within the scope of GRAP 17, while the produce growing on bearer plants will remain within the scope of GRAP 27. In addition to the changes made by the IPSASB, a consequential amendment has been made to GRAP 103 on Heritage Assets. The IPSASB currently does not have a pronouncement on this topic.

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

GRAP 21 (as amended 2016): Impairment of non-cash-generating assets

Amendments to the Standard of GRAP on Impairment of Non-cash Generating Assets resulted from changes made to IPSAS 21 on Impairment of Non-Cash-Generating Assets (IPSAS 21) as a result of the IPSASB's Impairment of Revalued Assets issued in March 2016.

The most significant changes to the Standard are:

- IPSASB amendments: To update the Basis of conclusions and Comparison with IPSASs to reflect the IPSASB's recent decision on the impairment of revalued assets.

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP 26 (as amended 2016): Impairment of cash-generating assets

Amendments Changes to the Standard of GRAP on Impairment of Cash Generating Assets resulted from changes made to IPSAS 26 on Impairment of Cash-Generating Assets (IPSAS 26) as a result of the IPSASB's Impairment of Revalued Assets issued in March 2016.

The most significant changes to the Standard are:

- IPSASB amendments: To update the Basis of conclusions and Comparison with IPSASs to reflect the IPSASB's recent decision on the impairment of revalued assets.

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP 31 (as amended 2016): Intangible Assets

Amendments to the Standard of GRAP on Intangible Assets resulted from inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IPSAS 31 on Intangible Assets (IPSAS 31) as a result of the IPSASB's Improvements to IPSASs 2014 issued in January 2015.

The most significant changes to the Standard are:

- General improvements: To add the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23 (paragraph . 12); and To clarify the measurement principle when assets may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets
- IPSASB amendments: To clarify the revaluation methodology of the carrying amount and accumulated depreciation when an item of intangible assets is revalued; and To clarify acceptable methods of depreciating assets

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP 103 (as amended 2016): Heritage Assets

Amendments to the Standard of GRAP on Heritage Assets resulted from inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from editorial changes to the original text.

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

The most significant changes to the Standard are:

- General improvements: To clarify the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23 (paragraph .12); and To clarify the measurement principle when assets may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP 106 (as amended 2016): Transfers of functions between entities not under common control

Amendments to the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control resulted from changes made to IFRS 3 on Business Combinations (IFRS 3) as a result of the IASB's amendments on Annual Improvements to IFRSs 2010 – 2012 Cycle issued in December 2013.

The most significant changes to the Standard are:

- IASB amendments: To require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting period.

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP 110 (as amended 2016): Living and Non-living Resources

Amendments to the Standard of GRAP on Living and Non-living Resources resulted from editorial changes to the original text and inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IPSAS 17 on Property, Plant and Equipment (IPSAS 17) as a result of the IPSASB's Improvements to IPSASs 2014 issued in January 2015 and Improvements to IPSASs 2015 issued in March 2016.

The most significant changes to the Standard are:

- General improvements: To clarify the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23; and To clarify the measurement principle when assets may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets
- IPSASB amendments: To clarify the revaluation methodology of the carrying amount and accumulated depreciation when a living resource is revalued; To clarify acceptable methods of depreciating assets; and To define a bearer plant and include bearer plants within the scope of GRAP 17 or GRAP 110, while the produce growing on bearer plants will remain within the scope of GRAP 27

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality expects to adopt the amendment for the first time in the 2018 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

Directive 12: The Selection of an Appropriate Reporting Framework by Public Entities

Historically, public entities have prepared financial statements in accordance with generally recognised accounting practice, unless the Accounting Standards Board (the Board) approved the application of generally accepted accounting practice for that entity. "Generally accepted accounting practice" has been taken to mean Statements of Generally Accepted Accounting Practice (Statements of GAAP), or for certain entities, International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board. Since Statements of GAAP have been withdrawn from 1 December 2012, public entities will be required to apply another reporting framework in the future.

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

The purpose of this Directive is to prescribe the criteria to be applied by public entities in selecting and applying an appropriate reporting framework.

The effective date of the standard is for years beginning on or after 01 April 2018.

The municipality expects to adopt the standard for the first time in the 2018 annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 20: Related parties

The objective of this standard is to ensure that a reporting entity's annual financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

An entity that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this standard in:

- identifying related party relationships and transactions;
- identifying outstanding balances, including commitments, between an entity and its related parties;
- identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- determining the disclosures to be made about those items.

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This standard also applies to individual annual financial statements.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

The standard states that a related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to the reporting entity if that person:
 - has control or joint control over the reporting entity;
 - has significant influence over the reporting entity;
 - is a member of the management of the entity or its controlling entity.
- An entity is related to the reporting entity if any of the following conditions apply:
 - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
 - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
 - both entities are joint ventures of the same third party;
 - one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
 - the entity is controlled or jointly controlled by a person identified in (a); and
 - a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

The standard furthermore states that related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

The standard elaborates on the definitions and identification of:

- Close member of the family of a person;
- Management;
- Related parties;
- Remuneration; and

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2. New standards and interpretations (continued)

- Significant influence

The standard sets out the requirements, inter alia, for the disclosure of:

- Control;
- Related party transactions; and
- Remuneration of management

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 109: Accounting by Principals and Agents

The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement. The Standard does not introduce new recognition or measurement requirements for revenue, expenses, assets and/or liabilities that result from principal-agent arrangements. The Standard does however provide guidance on whether revenue, expenses, assets and/or liabilities should be recognised by an agent or a principal, as well as prescribe what information should be disclosed when an entity is a principal or an agent.

It furthermore covers Definitions, Identifying whether an entity is a principal or agent, Accounting by a principal or agent, Presentation, Disclosure, Transitional provisions and Effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

The municipality is unable to reliably estimate the impact of the standard on the annual financial statements.

3. Inventory

Consumable Inventory	4 421 471	4 254 116
Water Stock	1 916 775	721 491
	6 338 246	4 975 607

No Inventory was pledged as security.

Inventory to the value of R26 264 was scrapped during the year.

4. Other receivables from exchange transactions

Water : Sales	4 033 758	4 715 011
Fire Services : Saldanha and West Coast	337 821	510 151
Operating Leases	222 091	170 978
Other	1 352 787	519 717
Insurance claims	49 268	91 765
Roads receivable	20 588 350	1 457 187
Advance payments : Members fees	1 506 748	1 377 463
Net Balance (Allowance for Impairment)	(13 990)	(69 152)
	28 076 833	8 773 120

Reconciliation of allowance for impairment

Other receivables from non-exchange transactions	(13 990)	(69 152)
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Notes to the Annual Financial Statements

Figures in Rand	2017	2016
5. Trade receivables from exchange transactions		
Gross balances		
Electricity	86 135	72 942
Water	3 743 191	3 769 380
Sewerage	14 840	13 385
Other	-	1 573
Housing rental	130 051	123 863
	3 974 217	3 981 143
Less : Allowance for impairment		
Less : Allowance for impairment	(23 578)	(294 152)
Net balance		
Electricity	86 135	72 942
Water	3 743 191	3 769 380
Sewerage	14 840	13 385
Other	-	1 573
Housing rental	130 051	123 863
Net balance (Allowance for impairment)	(23 578)	(294 152)
Net balance	3 950 639	3 686 991
Reconciliation of allowance for impairment (including other receivable from exchange)		
Balance at the beginning of the year	(363 303)	(425 599)
Contributions to provision	-	(281 633)
Debt impairment written off against provision	343 077	386 292
Funds recovered	(17 342)	(42 363)
	(37 568)	(363 303)
Reconciliation of allowance for impairment between trade and other receivables		
Trade receivable from exchange transactions	(23 578)	(294 151)
Other receivables from exchange transactions	(13 990)	(69 152)
	(37 568)	(363 303)
Age analysis per service (net of allowance for impairment) Service Debtors (Water, Electricity, Sewerage and Other)		
Current (0-30 days)	3 588 716	3 576 905
30-60 days	198 418	181 166
61-90 days	39 746	69 498
91-120 days	10 473	15 962
121-365 days	6 813	13 749
	3 844 166	3 857 280
Housing Rental		
Current (0-30 days)	80 542	73 086
31-60 days	31 614	29 852
61-90 days	17 895	20 925
91-120 days	-	-
	130 051	123 863
Summary of debtors age analysis (Trade receivables)		
Current (0-30 days)	3 669 258	3 649 991
31-60 days	230 032	211 018
61-90 days	57 641	90 423

West Coast District Municipality

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Figures in Rand	2017	2016
5. Trade receivables from exchange transactions (continued)		
91-120 days	10 473	15 962
121-365 days	6 813	13 749
>365 days	-	-
Less : Allowance for impairment	(23 578)	(294 152)
	3 950 639	3 686 991

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash book balances	234 433 551	226 449 174
Short-term investments	-	465 249
Floats	450	450
Total cash and cash equivalents	234 434 001	226 914 873

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2017	30 June 2016	30 June 2015	30 June 2017	30 June 2016	30 June 2015
First National Bank - Current Account	234 483 144	221 486 233	6 438 919	234 433 551	221 487 899	6 440 039
First National Bank - Current Account	-	4 971 930	739 594	-	4 961 275	719 150
Floats	450	450	450	450	450	450
Short-term investments	-	465 249	191 807 544	-	465 249	191 807 544
Total	234 483 594	226 923 862	198 986 507	234 434 001	226 914 873	198 967 183

Summary of short term investments per different account held

First National Bank - Call Account	-	465 249
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Average Rate of return on Investments	3.79%	2.78%
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7. Investment property

	2017			2016		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	5 508 050	(935 768)	4 572 282	5 508 050	(902 558)	4 605 492

Fair value of investment properties	13 677 360	13 677 360
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Pledged as security

No properties was pledged as security in current and prior financial year nor restrictions.

The municipality owns a beach development (Ganzekraal). The property is 2332.6578 hectares and the municipality receives rental income (camping fees). A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality. Please refer to appendix B of Property, Plant and Equipment, Intangible and Investment Property for detailed disclosures.

Rental revenue from investment property was R3 502 943 (2016 : R3 035 663) as disclosed in the Statement of Financial Performance.

West Coast District Municipality

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8. Property, plant and equipment

	2017			2016		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	26 131 390	-	26 131 390	26 131 390	-	26 131 390
Buildings	57 544 834	(23 254 747)	34 290 087	57 138 805	(20 642 363)	36 496 442
Infrastructure	323 075 084	(79 595 132)	243 479 952	319 322 092	(73 114 055)	246 208 037
Other	64 168 461	(44 330 549)	19 837 912	60 548 936	(41 479 752)	19 069 184
Total	470 919 769	(147 180 428)	323 739 341	463 141 223	(135 236 170)	327 905 053

Pledged as security

No properties was pledged as security in the current and prior financial year.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality. Please refer to appendix B of Property, Plant and Equipment, Intangibles and Investment Property for detailed disclosures.

Assets to be sold

The Standards of GRAP requires the municipality to disclose in the financial statements information about significant assets and groups of assets and liabilities, or components that will be disposed of in future reporting periods.

At the reporting date management has made a decision to dispose of certain assets within the next 12 months. These assets will be sold in an exchange transaction. The assets information are as follows:

Property, plant and equipment (Other Assets) (Carrying amount)

Furniture and Fittings	11 204	-
Motor Vehicles	4 367	-
Office Equipment	2 916	-
Plant and Equipment	16 267	-
	34 754	-

9. Intangible assets

	2017			2016		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Intangible assets	3 271 757	(2 751 394)	520 363	3 303 007	(2 274 104)	1 028 903

Pledged as security

No assets have been pledged as security in the current and previous financial year.

Other information

The municipality acquired intangible assets with finite useful lives of five years. The straight-line method of amortisation will be used to allocate the depreciable amount of an asset on a systematic basis over its useful life. Please refer to appendix B of Property, Plant and Equipment, Intangibles and Investment Property for detailed disclosures.

West Coast District Municipality

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10. Trade payable from exchange transactions

Sundry creditors	1 970 434	4 652 877
Payments received in advanced - contract in process	548 836	57 601
Accrued leave pay	8 538 982	8 442 277
Retentions	131 497	386 288
Trade payables	3 859 832	3 417 167
Deferred operating lease payments	6 274	9 662
	15 055 855	16 965 872

11. VAT payable

VAT 201 return as at 30 June	530 171	453 272
VAT Output payable from debtors	946 500	464 194
	1 476 671	917 466

VAT is payable on the payment basis. Only once payment are received from debtors is VAT paid to SARS.

12. Unspent conditional grants and receipts

See note 20 for detailed reconciliation of grants.

These amounts are invested and ring-fenced within the municipality's cash and cash equivalents until utilised.

Unspent conditional grants and receipts comprises of :

Western Cape Financial Management Grant (MSCOA)	142 164	158 423
Municipal Systems Improvement Grant	-	142 711
Western Cape Financial Management Grant (IDP & Internship)	858 248	650 000
Working for Water	139 672	118 739
Greenest Municipality Competition	25 275	-
Capacity Building Health	-	128 593
Local Government Graduate Internship Grant	92 888	-
Install Rainwater Tanks	-	54 886
Rural Roads Management	443 720	219 733
Donations Mayor	10 617	10 751
	1 712 584	1 483 836

13. Employee Benefits

Reconciliation of short-term portion of employee benefits - 2017

	Opening Balance	Additions	Utilised during the year	Total
Short-term portion of Medical aid Benefits	2 904 000	3 435 329	(2 904 000)	3 435 329
Short-term portion of Long Service Awards	503 000	946 643	(503 000)	946 643
Short-term portion of Performance Bonus	280 938	126 934	(280 938)	126 934
Short-term portion of Bonus	3 759 438	4 546 077	(4 089 330)	4 216 185
	7 447 376	9 054 983	(7 777 268)	8 725 091

West Coast District Municipality

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13. Employee Benefits (continued)

Reconciliation of short-term portion of employee benefits - 2016	Opening Balance	Additions	Utilised during the year	Total
Short-term portion of Medical aid Benefits	3 233 000	2 904 000	(3 233 000)	2 904 000
Short-term portion of Long Service Awards	547 000	503 000	(547 000)	503 000
Short-term portion of Performance Bonus	262 559	280 938	(262 559)	280 938
Short-term portion of Bonus	3 491 475	3 825 458	(3 557 495)	3 759 438
	7 534 034	7 513 396	(7 600 054)	7 447 376

The performance bonus represents management's best estimate of the municipality's liability under performance contracts of Sec 57 employees.

The bonus represents management's best estimate of the municipality's liability to pay employees thirteenth cheque.

Refer to disclosure note 16 (Long Service Award) and note 15 (Medical Aid Benefits) for detail disclosure.

14. Long term liabilities

Local Registered Stock Loans	57 246 151	72 738 004
Less : Current portion transferred to current liabilities	(17 003 568)	(15 492 689)
	40 242 583	57 245 315

The municipality has a unsecured external loan at the Development Bank of South Africa at a fixed rate of 8.60500%. The redeemable date of the loan is 31 October 2022. The loan is redeemed on a half-yearly basis. The amount borrowed in terms of the loan was to provide finance for capital projects within the Water Provisions Department.

The municipality has a unsecured external loan at the Sanlam at a fixed rate of 12.54%. The redeemable date of the loan is 29 June 2018. The loan is redeemed on a half-yearly basis. The amount borrowed in terms of the loan was to provide finance for capital projects within the Water Provisions Department.

The municipality has a unsecured external loan at the Development Bank of South Africa at a fixed rate of 6.75% and 13.38%. The redeemable date of the loan is 30 June 2020. The loan is redeemed on a half-yearly basis. The amount borrowed in terms of the loan was to provide finance for capital projects within the Water Provisions Department.

The municipality has a unsecured external loan at the ABSA at a fixed rate of 10.87%. The redeemable date of the loan is 31 January 2021. The loan is redeemed on a half-yearly basis as at 31 January and 31 July. The amount borrowed in terms of the loan was to provide finance for capital projects within the Water Provisions Department.

Refer to Appendix E (1) for more detail on long-term liabilities.

15. Medical aid benefits

Defined benefit plan

The most recent actuarial valuations of the present value of the obligation were carried out at 30 June 2017 by ARCH Actuarial Consulting.

Defined benefit plan	65 912 238	66 324 000
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West Coast District Municipality

Annual Financial Statements for the year ended 30 June 2017

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15. Medical aid benefits (continued)		
Change in Liability		
Opening Balance	63 420 000	57 826 000
Service Cost	2 822 000	2 260 000
Interest Cost	6 701 000	5 550 000
Recognised actuarial (gains) loss	(6 093 504)	16 852
Benefits Paid	(2 588 289)	(2 561 852)
Current portion transferred to current liability	(531 329)	329 000
Inclusion of minimum service conditions	(1 252 969)	-
	62 476 909	63 420 000
Net expense recognised in the statement of financial performance		
Current service cost	2 822 000	2 260 000
Interest cost	6 701 000	5 550 000
Actuarial (gains) losses	(6 093 504)	16 851
Total included in employee related costs	3 429 496	7 826 851
Unrecognised actuarial gains and losses		
Corridor Maximum	(6 093 504)	16 852
New gains / (losses)	6 093 504	(16 852)
Changes in the fair value of plan assets are as follows:		
Opening balance	2 904 000	3 233 000
Contributions by employer	531 329	(329 000)
Closing balance	3 435 329	2 904 000

West Coast District Municipality

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15. Medical aid benefits (continued)

Key assumptions used

Assumptions used at the reporting date:

Discount rate	9,44 %	10,33 %
Health care cost inflation rate	7,74 %	9,32 %
Net discount rate	1,58 %	0,92 %

Replacement ratio: This is the expected pension as a percentage of final salary, at retirement. The assumption is required to determine the income band at retirement of members since some contribution rate tables are income-dependent. A replacement ratio of 75% was assumed. Income bands are assumed to increase with general salary inflation and therefore an explicit salary inflation assumption is not necessary.

Demographic assumptions are required to estimate the changing profile of current employees and retirees who are eligible for post-employment benefits.

Pre-retirement mortality - SA85-90 ultimate table, adjusted for female lives.

Post-retirement mortality - PA(90) ultimate table.

The basis on which the discount rate has been determined is as follow: GRAP 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the post-employment liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

Consequently, a discount rate of 9.44% per annum has been used. The corresponding index-linked yield at this term is 2.54%. These rates do not reflect any adjustment for taxation. These rates were deducted from the yield curve obtained from the Johannesburg Stock Exchange after the market close on 30 June 2017. These rates are calculated by using a liability-weighted average of the yields for the three components of the liability. Each component's fixed-interest and index-linked yields were taken from the bond yield curve at that component's duration, using an iterative process (because the yield depends on the liability, which in turn depends on the yield).

The basis on which the health care cost inflation rate has been determined is as follow: This assumption is required to reflect estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical cost (for example, due to technological advances or changes in utilisation patterns). Any assumption regarding future medical scheme contribution increases is therefore subjective.

A health care cost inflation rate of 7.74% has been assumed. This is 1.50% in excess of expected CPI inflation over the expected term of the liability, namely 6.24%. A larger differential would be unsustainable, eventually forcing members to less expensive options. This implies a net discount rate of 1.58% which derives from $((1+9.44\%)/(1+7.74\%))-1$.

The expected inflation assumption of 6.24% was obtained from the differential between market yields on index-linked bonds consistent with the estimated term of the liabilities (2.54%) and those of fixed interest bonds (9.44%) with a risk premium adjustment for the uncertainty implicit in guaranteeing real increases (0.50%). This was therefore determined as $((1+9.44\%-0.50\%)/(1+2.54\%))-1$. The next contribution increase was assumed to occur with effect from 1 January 2018.

Withdrawal from service - If an in-service member leaves, the employer's liability in respect of that employee ceases. It is therefore important not to overstate withdrawal rates.

Average Retirement Age - The normal retirement age of employees is 65. It has been assumed that in-service members will retire at age 63, which then implicitly allows for expected rates of ill-health, early and late retirement.

Continuation of Membership - It has been assumed that 100% of in-service members will remain on the Municipality's health care arrangement should they stay until retirement.

Family Profile - It has been assumed that female spouses will be five years younger than their male counterparts. Further, we've assumed that 90% of eligible employees on a health care arrangement at retirement will have an adult dependant. For current retiree members, actual marital status was used and the potential for remarriage was ignored.

West Coast District Municipality

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15. Medical aid benefits (continued)

In-service Non-members - It is recognised that a liability may exist in respect of employees who have not joined a medical aid scheme, but are entitled to this benefit and may join in the future. It was assumed that these employees will not join a medical aid scheme.

Medical Scheme Option - It has been assumed that continuation members will remain on the same medical scheme and option. In-service members are assumed to remain on the same medical scheme and option, should they continue to receive the subsidy after retirement.

Sensitivity Analysis

The liability at the Valuation Date was recalculated to show the effect of:

- A 1% increase and decrease in the assumed rate of health care cost inflation;
- A 1% increase and decrease in the discount rate;
- A one-year age reduction in the assumed rates of post-retirement mortality;
- A one-year decrease in the assumed average retirement age; and
- A 10% decrease in the assumed proportion of in-service members that continue to receive the subsidy after retirement.

Sensitivity Analysis on the Accrued Liability

	In service	Continuation	Total
Central Assumptions	28 273 000	37 639 000	65 912 000
Health care inflation (+1%)	34 677 000	41 091 000	75 768 000
Health care inflation (-1%)	23 272 000	34 628 000	57 900 000
Discount rate (+1%)	23 380 000	34 697 000	58 077 000
Discount rate (-1%)	34 630 000	41 067 000	75 697 000
Post-retirement mortality (-1 yr)	29 200 000	39 211 000	68 411 000
Average retirement age (-1 yr)	30 430 000	37 639 000	68 069 000
Continuation of membership at retirement (-10%)	25 446 000	37 639 000	63 085 000

Sensitivity Analysis on Current-service and Interest costs

	Current-service Cost	Interest Cost	Total
Central Assumption	2 822 000	6 701 000	9 523 000
Health care inflation (+1%)	3 533 000	7 792 000	11 325 000
Health care inflation (-1%)	2 278 000	5 819 000	8 097 000
Post-retirement mortality (-2 yr)	3 021 000	7 248 000	10 269 000

Other assumptions

It was assumed that the health care arrangements and policy would remain unchanged. It was assumed that the level of benefits receivable, and the contributions payable in respect of such, would remain unchanged, with the exception of allowing for inflationary adjustments. Implicit in this approach is the assumption that current levels of cross-subsidy from in-service members to continuation members within the medical scheme are sustainable, and will continue.

West Coast District Municipality

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15. Medical aid benefits (continued)

Employee benefit - Roads receivable

In terms of the memorandum of Agreement between the Western Cape Provincial Government, Department of Public Works and Transport, and past experience hereon, funds will be made available to maintain the approved organogram of the roads division in the Municipality. The future claim for roads staff for post employment medical aid has therefore been raised as a long-term debtor.

Employee benefit - Roads receivable

Opening balance	19 872 675	16 315 000
Current service cost	705 692	767 000
Interest cost	1 964 686	1 499 000
Expected benefits paid	(1 127 972)	(674 000)
Actuarial (loss) / gain	(526 821)	1 965 675
Inclusion of minimum service condition	(329 927)	-
	20 558 333	19 872 675

Statement of Financial Position

Employee benefits - Roads receivable (Current Assets)	1 196 396	1 127 968
Employee benefits - Roads receivable (Non-current Assets)	19 361 937	18 744 707
	20 558 333	19 872 675

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16. Long-term portion of Long Service Awards		
Long Service Awards		
Provision for Long Service Awards	8 227 380	7 963 000
Less : Transferred to Current Provision	(946 643)	(503 000)
Net Long Service Awards Liability	7 280 737	7 460 000

A long service award is granted to municipal employees after the completion of fixed periods of continuous service with the municipality. The provision represents an estimation of the awards to which employees in the service of the municipality at 30 June 2017 become entitled to in future, based on a actuarial valuation performed at that date.

An actuarial valuation of the present value of the obligation at 30 June 2017 was done by ARCH Actuarial Consulting.

The future service cost for ensuring year is established to be R631 000 whereas the interest-cost for the next year is estimated to be R730 274.

The principal assumptions used for the purposes of the actuarial valuations were as follows :

- Discount Rate - 8.54%
- General Salary Inflation (long-term) - 6.36%
- Net Effective Discount Rate - 2.05%
- Mortality - SA85-90
- Normal retirement age - 63

2017 - Details of employees eligible for long service awards are detailed below

All employees

Active Employees	Salaries Weighted Average Age (years)	Weighted Average Past Service (years)
508	44	11

2016 - Details of employees eligible for long service awards are detailed below

All employees

Active Employees	Salaries Weighted Average Age (years)	Weighted Average Past Service (years)
495	41	9

The amount recognised in the Statement of Financial Position are as follows :

Present value of fund obligations	8 227 380	7 963 000
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The amount recognised in the Statement of Financial Performance are as follows :

Current service costs	631 000	661 000
Interest costs	733 000	688 000
Actuarial (gain)/loss on the obligation	(596 620)	(364 355)
	767 380	984 645

The movement in the long service awards liability over the year is as follows :

Balance at the beginning of the year	7 963 000	7 466 000
Current service costs	631 000	661 000
Interest costs	733 000	688 000
Benefits paid	(397 065)	(487 645)
Actuarial (gain)/loss on the obligation	(702 555)	(364 355)
	8 227 380	7 963 000

The average liability has increased by 1% due to the effect of an increase in the average salary and an increase in the average past service, being mostly offset by the effect of an increase in the net discount rate.

West Coast District Municipality

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16. Long-term portion of Long Service Awards (continued)

The total liability has increased by 3% (or R264 380) due to the above, combined with the fact that there are 13 more eligible employees than at the last valuation.

Changes in withdrawal - The effect of a 1% movement in the withdrawal rates will be as follow :

Employer's accrued liability

	-1% Withdrawal rate	Valuation Assumption	+1% Withdrawal rate
General salary inflation	7 689 000	8 227 380	8 829 000
Discount rate	8 860 000	8 227 380	7 672 000
	16 549 000	16 454 760	16 501 000

Employer's expense cost

	-1% Withdrawal rate	Valuation Assumption	+1% Withdrawal rate
General salary inflation	1 253 000	1 364 000	1 492 000

17. Accumulated surplus

Balance as at 1 July	427 330 160	405 010 370
Net gain / loss for the period	40 882 523	21 304 658
Correction of an error - Note 26	3 357	1 015 132
	468 216 040	427 330 160

18. Service charges

Fire fighting services	737 451	326 158
Sale of electricity	678 378	541 153
Sale of water	112 758 868	112 891 501
Sewerage and sanitation charges	145 919	116 213
	114 320 616	113 875 025

19. Other revenue

Non-exchange transactions

Sundry overpayments	391 138	53 382
Interest on debtors	32 504	56 804
Other income	504 034	547 620
Insurance refunds	697 729	-
	1 625 405	657 806

Exchange transactions

Rent	1 216 087	1 229 886
Water Services	83 282	13 251
Fire Services (Saldanha)	3 990 870	3 488 844
	5 290 239	4 731 981

20. Unspent conditional grants and subsidies

The following grants and subsidies were received and recognised :

West Coast District Municipality

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20. Unspent conditional grants and subsidies (continued)		
Western Cape Financial Management Grant (Risk & MSCOA)	236 260	551 363
Local Government Graduate Internship Grant	87 112	-
Western Cape Financial Management Grant (IDP)	507 542	-
Western Cape Financial Management Grant (Internship)	184 211	-
RSC Levy Replacement Grant (Equitable Share)	68 270 000	66 398 000
Equitable Share	13 924 000	14 060 000
MSIG	142 711	787 289
Financial Management Grant	1 250 000	1 250 000
EPWP	1 036 000	1 000 000
Donations Mayor	170 401	336 714
Greenest Municipality Competition	24 725	-
Capacity Building Health Services	128 593	51 407
Install Rainwater Tanks	54 886	443 682
Rural Roads Management	1 980 280	2 199 267
Working for Water	979 063	637 968
Other Government Grants and Subsidies Less VAT on administration charge	(58 677)	411 548
	88 917 107	88 127 238

20.1) MSIG

Balance unspent at the beginning of the year	142 711	-
Current year receipts	-	930 000
Current year interest	-	-
Conditions met - transferred to revenue	(142 711)	(787 289)
Conditions still to be met - transferred to liabilities	-	142 711

Strategic Objective - Good governance and financial viability.

The purpose of the grant was to provide infrastructure for the implementation of mSCOA (Municipal Standard Chart of Accounts).

20.2) Financial Management Grant

Balance unspent at the beginning of the year	-	-
Current year receipts	1 250 000	1 250 000
Current year interest	-	-
Conditions met - transferred to revenue	(1 250 000)	(1 250 000)
Conditions still to be met - transferred to liabilities	-	-

Strategic Objective - Good governance and financial viability.

The purpose of the grant was to support the training of municipal officials in financial management, the appointment of interns and the acquisition, upgrade and maintenance of financial management systems.

20.3) Western Cape Financial Management Grant (Risk & MSCOA)

Balance unspent at the beginning of the year	158 424	359 787
Current year receipts	220 000	350 000
Current year interest	-	-
Conditions met - transferred to revenue	(236 260)	(551 363)
Conditions still to be met - transferred to liabilities	142 164	158 424

Strategic Objective - Good governance and financial viability.

The purpose of the grant is to provide shared risk management services within the West Coast District area.

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20. Unspent conditional grants and subsidies (continued)

20.4) Donations Mayor

Balance unspent at the beginning of the year	10 750	6 182
Current year receipts	170 268	341 282
Current year interest	-	-
Conditions met - transferred to revenue	(170 401)	(336 714)
Conditions still to be met - transferred to liabilities	10 617	10 750

20.5) EPWP Grant

Balance unspent at the beginning of the year	-	-
Current year receipts	1 036 000	1 000 000
Current year interest	-	-
Conditions met - transferred to revenue	(1 036 000)	(1 000 000)
Conditions still to be met - transferred to liabilities	-	-

Strategic Objective - Environmental Integrity.

The purpose of the grant was for community safety, sustainable land-based livelihoods, development and maintenance of buildings, health, roads and stormwater systems development and maintenance and other social sector projects.

20.6) Working for Water

Balance unspent at the beginning of the year	118 739	-
Current year receipts	999 999	756 707
Current year interest	-	-
Conditions met - transferred to revenue	(979 065)	(637 968)
Conditions still to be met - transferred to liabilities	139 673	118 739

Strategic Objective - Environmental Integrity.

The purpose of the grant was to clean-up water sensitive areas within the West Coast District.

20.7) Western Cape Financial Management Grant (IDP & Internship)

Balance unspent at the beginning of the year	650 000	-
Current year receipts	900 000	650 000
Current year interest	-	-
Conditions met - transferred to revenue	(691 753)	-
Conditions still to be met - transferred to liabilities	858 247	650 000

Strategic Objective - Good governance and financial viability.

The purpose of the grant is to support the internship program as well as strategic services within the West Coast District Area.

20.8) Capacity Building Health Services

Balance unspent at the beginning of the year	128 593	-
Current year receipts	-	180 000
Current year interest	-	-
Conditions met - transferred to revenue	(128 593)	(51 407)
Conditions still to be met - transferred to liabilities	-	128 593

Strategic Objective - Environmental Integrity.

The purpose of the grant is to build capacity of the health services officials within the West Coast District Area.

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20. Unspent conditional grants and subsidies (continued)

20.9) Install Rainwater Tanks

Balance unspent at the beginning of the year	54 886	-
Current year receipts	-	498 568
Current year interest	-	-
Conditions met - transferred to revenue	(54 886)	(443 682)
Conditions still to be met - transferred to liabilities	-	54 886

Strategic Objective - Environmental Integrity.

The purpose of this grant is to provide a sustainable water supply for food gardens and reduce consumption of water resources due to drought conditions experienced within the West Coast Area.

20.10) Rural Roads Management

Balance unspent at the beginning of the year	219 733	-
Current year receipts	2 424 000	2 419 000
Current year interest	-	-
Conditions met - transferred to revenue	(1 980 280)	(2 199 267)
Transfer to National Treasury	(219 733)	-
Conditions still to be met - transferred to liabilities	443 720	219 733

Strategic Objective - Essential bulk services.

The purpose of the grant is to develop a rural roads management plan within the West Coast District.

20.11) Greenest Municipality Competition

Balance unspent at the beginning of the year	-	-
Current year receipts	50 000	-
Current year interest	-	-
Conditions met - transferred to revenue	(24 725)	-
Conditions still to be met - transferred to liabilities	25 275	-

Strategic Objective - Environmental Integrity

The was used to buy computer equipment within the Corporate and Community Services Department.

20.12) Local Government Graduate Internship Grant

Balance unspent at the beginning of the year	-	-
Current year receipts	180 000	-
Current year interest	-	-
Conditions met - transferred to revenue	(87 112)	-
Conditions still to be met - transferred to liabilities	92 888	-

Strategic Objective - Good Governance and Financial Viability

The purpose of the grant is to assist the graduate internship programme within the West Coast District.

Unspent conditional grants and receipts

PAWC and State Funds : Various Projects (See note 12)	1 712 584	1 483 836
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21. Employee related costs

Employee related costs - Salaries and Wages	89 064 272	83 884 075
Employee related costs - Contributions for UIF, pensions and medical aids	22 310 568	19 810 809
Bonus paid	4 273 798	1 761 052
Bonus paid (Roads)	2 794 570	824 550
Travel, motor car, accommodation, subsistence and other allowances	9 984 535	9 747 632
Other payroll levies	3 733 650	2 384 532
Overtime payments	8 773 979	7 221 964
Contributions to Employee Benefits	8 350 248	11 673 396
Leave accrual	834 760	1 687 324
Special allowances	4 617 490	5 293 107
Housing benefits and allowances	1 245 240	1 252 239
	155 983 110	145 540 680

Remuneration of municipal manager (This expense forms part of Employee related costs)

Annual Remuneration	1 696 936	1 555 775
Car Allowance	246 143	195 576
Performance Bonuses	44 366	84 696
Contributions to UIF, Medical and Pension Funds	46 472	60 983
Telephone Allowance	20 184	15 984
Other	72 042	1 000
	2 126 143	1 914 014

Remuneration of chief financial officer (This expense forms part of Employee related costs)

Annual Remuneration	970 851	1 017 167
Car Allowance	64 085	26 877
Performance Bonuses	34 990	59 287
Contributions to UIF, Medical and Pension Funds	222 749	235 526
Telephone Allowance	20 184	15 984
Other	150 348	750
	1 463 207	1 355 591

Remuneration of individual executive directors - Technical Services (This expense forms part of Employee related costs)

Annual Remuneration	1 176 550	1 103 152
Car Allowance	156 811	120 000
Performance Bonuses	47 576	59 287
Contributions to UIF, Medical and Pension Funds	48 236	61 120
Telephone Allowance	20 184	15 984
Other	11 882	-
	1 461 239	1 359 543

Remuneration of individual executive directors - Corporate and Community Services (This expense forms part of Employee related costs)

Annual Remuneration	931 096	974 045
Car Allowance	145 125	120 000
Performance Bonuses	33 391	59 287
Contributions to UIF, Medical and Pension Funds	169 381	186 409
Telephone Allowance	20 184	15 984
Other	18 355	-
	1 317 532	1 355 725

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22. Remuneration of councillors

In-kind benefits

The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time Councillors. Each is provided with an office and secretarial support at the cost of the municipality.

The Executive Mayor has use of a Council owned vehicle for official duties.

Certification by the Municipal Manager

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisage in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Executive Mayor	840 242	646 044
Deputy Executive Mayor	711 284	711 640
Mayoral Committee Members	1 600 111	2 408 426
Speaker	691 065	421 908
Councillors and Secretarial support	1 566 541	1 690 619
Councillors pension contribution	223 615	273 978
	5 632 858	6 152 615

23. Finance costs

Long term liabilities	7 276 198	8 919 839
Finance leases	-	23 220
	7 276 198	8 943 059

24. Bulk purchases

Water	8 723 498	10 682 893
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25. General expenses		
Advertising	574 682	491 558
Assessment rates & municipal charges	1 258 316	387 753
Auditors remuneration	3 016 780	2 910 262
Study - rural roads	1 858 007	2 190 751
Water tanks	-	422 554
Computer expenses	2 178 666	898 858
Consulting and professional fees	3 849 055	2 653 805
Insurance	444 796	709 484
Rental offices	535 706	264 619
Water demand management	45 932	115 404
Lease rental on operating lease	181 537	505 417
Contribution to free municipal services	626 071	726 949
Fuel and oil	12 923 583	12 044 977
Placement fees	-	1
Printing and stationary	555 488	970 951
Security (Guarding of municipal property)	461 360	337 890
Subscriptions and membership fees	1 449 614	557 108
Telephone and fax	1 512 547	1 538 787
Transport and freight	28 050	692 492
Training	748 996	1 161 689
Travel -local (subsistence allowance)	3 229 746	1 701 293
Electricity	20 640 586	21 144 455
Water	748 731	154 207
Water and milk samples	9 629	358 537
Uniforms	1 860 217	724 503
Exhibitions	329 373	327 864
Contributions and grants	160 175	296 758
Professional services (Water services)	808 712	1 050 637
Other operating expenses	8 407 511	6 467 047
	68 443 866	61 806 610

26. Prior period errors

The correction of the error(s) results in adjustments as follows:

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26. Prior period errors (continued)

	Adjustment 2017
General Expenses - Traveling cost was refunded by an employee. Receipt number 298015.	150
Bad Debt Allowance was reversed during this financial year. This error was corrected in the Statement of Changes in Net Assets.	3 357
Inventory incorrectly expensed in prior periods. This error was corrected in the Statement of Changes in Net Assets.	1 015 132
Payments reversed during this financial year, ACB number 181894 and 52670.	545
Government grants & subsidies - Capital contribution made by Saldanhabay Municipality was refunded in this financial year.	(496 263)
General Expenses - Inventory incorrectly expensed.	387 167
Employee benefit - roads receivable was corrected during this financial year. Roads employees was omitted from the previous year's Actuarial valuation.	7 468 675
Land owned by the municipality was recognised during this financial year.	3 113 543
	11 492 306

Statement of Financial Performance

	Balance before adjustment	Adjustment	Balance after adjustment
Government grants & subsidies	88 623 500	(496 263)	88 127 237
Actuarial gain on road receivable	-	1 965 675	1 965 675
General expenses	(66 830 397)	5 223 787	(61 606 610)
Actuarial loss on road receivable	(5 503 000)	5 503 000	-
	16 290 103	12 196 199	28 486 302

General expenses - Note 26

	Balance before adjustment	Prior period error	Reclassified	Balance after adjustment
Travel - local (subsistence allowance)	(1 701 443)	150	-	(1 701 293)
Other operating expenses	(6 111 165)	387 862	(251 300)	(5 974 603)
Insurance	(397 286)	-	(312 198)	(709 484)
Motor vehicle expense	(312 198)	-	312 198	-
Sundry expenses	(11 860)	-	11 860	-
Interest transfer	(239 440)	-	239 440	-
	(8 773 392)	388 012	-	(8 385 380)

Statement of Financial Position

	Opening balance before adjustment	Adjustment	Balance after adjustment
Current Asset - Employee benefit - roads receivable	607 000	520 968	1 127 968
Non-Current Asset - Employee benefit - roads receivable	11 797 000	6 947 707	18 744 707
Trade payables from exchange transactions	(16 470 304)	(495 568)	(16 965 872)
Inventories	3 573 308	387 167	3 960 475
Property, plant and equipment	324 791 510	3 113 543	327 905 053
	324 298 514	10 473 817	334 772 331

Accumulated Surplus

	Opening balance before adjustment	Adjustment	Balance after adjustment
Balance as at 30 June	415 841 212	10 473 816	426 315 028

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26. Prior period errors (continued)

Reclassification of General Expenses - 30 June 2016

	Balance before adjustment	Reclassified	Balance after adjustment
Chemicals	5 128 219	(5 128 219)	-
Repairs and maintenance	-	5 128 219	5 128 219
	5 128 219	-	5 128 219

27. Cash generated from operations

Surplus	40 882 523	21 304 658
Adjustments for:		
Depreciation and amortisation	14 254 279	13 597 719
Loss on PPE	1 144 955	20 284 889
Impairment of receivables from non-exchange transactions	-	281 633
Roads receivable - Employee benefits	6 256 196	(3 557 675)
Donated Assets - Other Assets	-	(20 987)
Correction of error : Refer to Note 26	3 357	-
Changes in working capital:		
Inventory	(1 362 639)	(764 249)
Trade receivables from exchange transactions	277 500	5 685 739
Other trade receivables from exchange transactions	(20 504 602)	(2 484 510)
Trade payables from exchange transactions	(1 967 825)	(11 213 998)
VAT	559 205	(1 237 611)
Unspent conditional grants and subsidies	228 748	1 117 867
Employee benefits	(6 364 731)	5 578 646
Long Service Awards	264 380	541 000
	33 671 346	49 113 121

28. Utilisation of Long-term liabilities reconciliation

Long-term liabilities (see Note 14)	57 246 151	72 738 004
Used to finance property, plant and equipment	(57 246 151)	(72 738 004)
Cash set aside for the repayment of long-term liabilities	17 003 568	15 492 689
	17 003 568	15 492 689

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.

29. Unauthorised expenditure

Reconciliation of Unauthorised expenditure	-	-
Opening balance	-	-
Unauthorised expenditure current year	-	-
Approved by Council or condoned	-	-
Unauthorised expenditure awaiting authorisation	-	-

30. Fruitless and wasteful expenditure

Reconciliation of Fruitless and wasteful expenditure	-	-
Opening Balance	-	9 215
Fruitless and wasteful expenditure current year	21 366	-
Condoned or written off by Council	(13 735)	(9 215)
Amount recoverable (not condoned)	(7 631)	-
Fruitless and wasteful expenditure awaiting condonement	-	-

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30. Fruitless and wasteful expenditure (continued)

Internal audit was requested to conduct an investigation on tenders not awarded within the 90 day period after the advertisement date. Reasonable steps were taken by management to address the control deficiency and the responsible official / s were held accountable for any loss incurred by the municipality. Two incidents were identified as follows:

Incident 1 - WDM 24/2016 - Hiring of construction plant, personnel, mobile crushing equipment and fencing works.	13 735	-
Incident 2 - WDM 32/2016 - Supply and delivery of G5 sub-base material for upgrading, rehabilitation and maintenance works.	7 631	-
	21 366	-

31. Irregular expenditure

Opening balance	77 295	12 351 346
Add: Irregular Expenditure - current year	233 883	21 042 205
Less: Amounts condoned	(77 295)	(33 316 256)
Less: Amounts recoverable (not condoned)	-	-
Less: Amounts not recoverable (not condoned)	-	-
	233 883	77 295

Details of Irregular expenditure

Current year - 2017	233 883	-
Incident 1 - The municipality did not comply with Section 36 of the Municipal Supply Chain Management Regulations that allows a municipality to deviate from procurement processes. Based on the reasoning and documentation provided, the deviation does not appear to be reasonable / justifiable to substantiate that it was impractical or uneconomical to follow the procurement processes. The saving provides no assurance that the best price available in the market was obtained.		
Prior year - 2016	-	20 964 910
Incident 1 - The Auditor General in 2014/15 identified that a bid with a transaction value over R10 million (VAT included) and of a long term in nature was not advertised for a minimum period of 30 days. The municipality transacted on this tender while the audit was in progress (1 July 2015 to 30 November 2015). All commitments was made after 30 November 2015. Disciplinary steps was taken by the municipality and the employee was sanctioned with a written warning valid for six months,		
Incident 2 - The municipality did not comply with Section 16 (a) of the Municipal Supply Chain Management Regulations that states quotations must be obtained from at least three different service providers. The municipality did not obtain quotes from travel agencies for the booking of international flight tickets. The municipality only obtained quotes for the booking of domestic flights,	-	17 000
Incident 3 - The municipality did not fully comply with section 32 of the Municipal Supply Chain Management Regulations that allows for the procurement of goods and services from the municipality or municipal entity under a contract secured by another organ of state. The municipality did not have 3 of the 25 preferred suppliers on it's supplier database,	-	60 295
	233 883	21 042 205

32. Additional disclosure in terms of Municipal Finance Management Act

32.1) Contributions to organised local government

Opening balance	-	-
Current year subscription / fee	1 377 464	434 566
Amount paid - current year	(1 377 464)	(434 566)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-

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32. Additional disclosure in terms of Municipal Finance Management Act (continued)		
32.2) Audit fees		
Opening balance	-	-
Current year subscription / fee	3 016 780	2 910 262
Amount paid - current year	(3 016 780)	(2 910 262)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-
32.3) PAYE and UIF		
Opening balance	-	-
Current year subscription / fee	22 977 743	18 192 539
Amount paid - current year	(22 977 743)	(18 192 539)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-
32.4) Pension and Medical Aid Deductions		
Opening balance	-	-
Current year subscription / fee	21 814 499	19 164 258
Amount paid - current year	(21 814 499)	(19 164 258)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-
32.5) VAT		
VAT payable	-	-

VAT receivables and VAT payables are disclosed in Note 11.

All VAT returns have been submitted by the due date throughout the year.

32.6) Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2017:

30 June 2017	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
	-	-	-

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32. Additional disclosure in terms of Municipal Finance Management Act (continued)

32.7) Non-compliance to laws and regulations

In terms of section 28 (1) of the Local Government : Municipal Performance Regulations for Municipal Managers and Managers directly accountable to the Municipal Manager the performance of the employee in relation to his or her performance agreement must be reviewed understanding that reviews in the first and third quarter may be verbal if performance is satisfactory. The report was submitted after the deadline.

In terms of section 34 (3) of the Local Government : Municipal Performance Regulations for Municipal Managers and Managers directly accountable to the Municipal Manager the performance assessment results of the municipal manager must be submitted to the MEC responsible for local government in the relevant province as well as the national minister responsible for local government, within 14 days after the conclusion of the assessment. Two reports was submitted after the deadline.

In terms of section 14 (4)(a)(iii) of the Local Government : Municipal Planning and performance Management regulations the municipal manager must submit the Section 72 mid - year performance report to the Performance Audit Committee. The report was submitted after the deadline.

In terms of section 14 (4)(a)(iii) of the Local Government : Municipal Planning and performance Management regulations the performance audit committee must at least twice during a financial year submit an audit report to the municipal council. The report was submitted after the deadline.

In terms of section 13 (4)(c) of the Local Government : Municipal Planning and Performance Management Regulations the Municipality must after consultation with the local community, develop and implement mechanisms, systems and processes for the monitoring, measurement and review of performance indicators and performance targets set by it. The community must participate in the review process. This was done after the deadline.

In terms of section 31 (1)(c) of the Municipal Budget and Reporting Regulations the mayor must quarterly report on the implementation of the budget and the financial state of affairs of the municipality as required by section 52 (d) of the Act. Must submit to the National Treasury and the relevant Provincial Treasury within five days of the tabling of the report in the council. Two reports was submitted after the deadline.

In terms of section 75 (1)(k) of the Local Government : Municipal Finance Management Act the accounting officer of a municipality must place on the website referred to in section 21A of the Municipal Systems Act the following documents of the municipality : all quarterly reports tabled in the council in terms of section 52 (d). Two reports was placed on the website after the deadline.

In terms of section 17 (2) of the Municipal Supply Chain Management Regulations a designated official referred to in subsection (1)(c) must within three days of the end of each month report to the chief financial officer on any approvals given during that month by that official in terms of that subsection. Four reports was submitted after the deadline.

In terms of section 5 (4) of the Municipal Supply Chain Management Regulations an official or bid adjudication committee to which the power to make final awards has been subdelegated in accordance with subregulation (2) must within five days of the end of each month submit to the official referred to in subsection (4) a written report containing particulars of each final award made by such official or committee during the month. The report was submitted after the deadline.

In terms of section 6 (3) of the Municipal Supply Chain Management Regulations the accounting officer must, within 10 days of the end of each quarter submit a report on the implementation of the supply chain management policy to the mayor of the municipality or board of directors of the municipal entity. The report was submitted after the deadline.

In terms of section 5 (3) of the Municipal Supply Chain Management Regulations a written report referred to in subsection 3 must be submitted to the accounting officer, in the case of an award by the chief financial officer; senior manager; or a bid adjudication committee of which the chief financial officer or the senior manager is a member; or to the chief financial officer or the senior manager responsible for the relevant bid, in the case of an award by a manager referred to in subsection (2)(c)(iii); or a bid adjudication committee of which the chief financial officer or a senior manager is not a member. Two reports was submitted after the deadline.

In terms of section 11 (4) (a) of the Local Government : Municipal Finance Management Act the accounting officer must within 30 days after the end of each quarter table in the municipal council a consolidated report of all withdrawals made in terms of subsection (1)(b) to (j) during that quarter. The report was submitted after the deadline.

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32. Additional disclosure in terms of Municipal Finance Management Act (continued)

In terms of section 23 (5) of the Local Government : Municipal Finance Management Act an adjustment budget referred to in section 28 (2) (e) of the Act may only be tabled after the end of the financial year to which the roll-overs relate, and must be approved by the municipal council by 25 August of the financial year following the financial year to which the roll-overs relate. The new elected council meeting was held on 1 September 2016.

33. Capital Commitments

Authorised capital expenditure

Capital commitments are specific capital projects approved per tender and budget but still in progress at period end. The municipality does not have any capital commitments for this financial period.

This committed expenditure relates to property and will be financed by available bank facilities, retained surpluses, rights issue of shares, issue of debentures, mortgage facilities, existing cash resources, funds internally generated, etc.

34. Retirement Benefit Information

The municipality provides retirement benefits for all its permanent employees through a defined contribution plan, which is subject to the Pension Fund Act, 1956 as amended. The contributions made by the municipality and the employees to the plan during the year were :

Cape Joint Pension Fund	202 983	288 280
Cape Joint Retirement Fund	22 177 407	19 889 258
Councillors Pension Fund	35 698	460 524
	22 416 088	20 638 062

Cape Joint Pension fund, which is a defined multi - employer contribution fund. Contribution ratio employees 9% and Council 18%. Contribution ratio for Councillors 12% and Council 15% from September 2016 to March 2017 and 9% and 18% from April 2017 to June 2017.

Councillors of the West Coast District Municipality was members of the Municipal Councillors Pension Fund in July and August 2016, which is a defined contribution plan. Contribution ratio, Councillors 13.75% and Council 15%.

Multy employer funds are treated as defined contribution funds.

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35. Related parties

Relationships

The following related parties exist :
Government Departments

National Treasury
Provincial Treasury
Department of Water Affairs and Forestry
H F Prins (Municipal Manager)

Members of key management - Refer to Note 21 for the amounts payable to key management.

J Koekemoer (Chief Financial Officer)
M Markus (Director : Corporate and Community Services)
H Matthee (Director : Technical Services)
Cllr. J H Cleophas (Executive Mayor)
Cllr R W Strydom (Deputy Executive Mayor)
Cllr. R E Swarts (Speaker)
Cllr. J Meyer (Mayoral Committee Member)
Ald. B J Stanley (Mayoral Committee Member)
Ald. F J Schippers (Mayoral Committee Member)
Cllr. V D McQuire (Mayoral Committee Member)
Cllr. F Kamfer
Cllr. S A Gxabalashe
Cllr. C Erasmus
Cllr. J Alexander
Cllr. N M Ngobo
Cllr. M Carosini
Cllr. J J Hoop
Cllr. N S Qunta
Ald. S I J Smit
Cllr. A J du Plooy
Cllr. E B Mankay
Ald. E Nackerdien
Cllr. M Schrader
Cllr. S M Scholtz
Cllr. B J Penxa
Cllr. N Smit
Cllr. R Skei
Cllr. H J van der Hoven

Councillors - Refer to Note 22 for the amounts paid to Councillors.

The municipal Manager (Mr H F Prins) and the Chief Financial Officer (Mr J Koekemoer) are trustees in the operating lease transaction that exists between the Council and the West Coast Financing Partnership. Payments are payable every six months. The properties involved in this transaction are section 36 of the farm Yzervarkensrug number 127 and section 3 of division Malmesbury farm number 91. The transactions are disclosed below :

Related party balances

Grants received from related parties

National Treasury	86 602 991	85 694 556
Provincial Treasury	1 168 442	602 770
Department of Water Affairs and Forestry	1 033 951	1 081 650

Purchase of goods and services from related parties

Department of Water Affairs and Forestry	11 524 754	10 682 893
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Sub-Lease transaction from related parties

West Coast Financing Partnership	9 145 108	8 165 276
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36. Leases

36.1) Lease Payable

The total future minimum operating lease payments payable under existing operating lease arrangements are categorised as follows :

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36. Leases (continued)

a) Within one year of the reporting date	382 389	546 196
b) More than one year but less than five years of the reporting date, and	265 577	496 949
	647 966	1 043 145

The municipality entered into an operating lease for the rental of photocopiers for three years with Konica Minolta. There is no escalation clause.

The municipality entered into an operating lease for the rental of two offices. The lease is between Frank Family Trust and the municipality. The contract is for a period of one year. The property involved is Voortrekkerweg 47 Malmesbury.

The municipality entered into an operating lease for the rental of two offices. The lease is between Swemmerspark Investments and the municipality. The contract is for a period of two years. The property involved is site 86 Veldrift.

An operating lease transaction exist between the Municipality and G R Damp. The contract is for a month to month period. The property is Swawelberg, Malmesbury (Section 5 of farm 619 Malmesbury road).

An operating lease transaction exists between the Municipality and Weskus Kwekery (BK). The contract is for a period of one year. The property involved is site West Coast Farmstal corner of R27 and R315 Yzerfontein.

An operating lease transaction exists between the Municipality and SITA. The contract is for a period of one year. This involves the maintenance of Microsoft software, products and services.

The municipality entered into an operating lease for the rental of storage capacity. The lease is between Saldanha Municipality and this municipality. The contract is for a month to month period. The property involved is erf 860 Langebaan.

The municipality entered into an operating lease for the rental of storage capacity. The lease is between Linu Farms and the municipality. The contract is for a period of one year. The property involved is erf 858 Riebeek-West.

The municipality entered into an operating lease with Bergriver Municipality. The contract is for a period of three years. The property involved is erf 8 Aurora.

The municipality entered into an operating lease with Marcelle Ann Ellis and Jannie Nel Ellis. The contract is for a period of three years. The property involved is Die Trek 28 Pikerberg.

The municipality entered into an operating lease with Strassberger Investments. The contract is for a period of three years. The property involved is erf 2715 Hoofweg 28A Clanwilliam.

The municipality entered into an operating lease for the rental of storage capacity. The lease is between Petersfield Trust and the municipality. The contract is for a period of two years. The property involved is Petersfield 455, Voortrekker Street, Citrusdal, Section Clanwilliam.

The municipality entered into an operating lease agreement with Business Engineering. The contract involves the collaborator foundation system and is for a 12 month period.

36.2) Lease receivable

The total future minimum significant operating lease receivable under the existing operating lease arrangement are categorised as follows :

a) Within one year of the reporting date	304 217	304 217
b) More than one year but less than five years of the reporting date, and	1 521 083	1 521 083
c) More than five years	202 811	507 028
	2 028 111	2 332 328

The municipality entered into an operating lease as lessor with the Department of Transport and Public Works as the lessee. the lease term commenced on 1 March 2014 and expire with option to extend on 28 February 2024 and cover a period of 10 years. The property involved is the Moorreesburg Ambulance Station situated on erf 641.

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37. Risk management

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance. The municipality uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central treasury department (entity treasury) under policies approved by the accounting officer. Municipality treasury identifies, evaluates and hedges financial risks in close co-operation with the municipality's operating units. The accounting officer provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Market risk

Interest rate risk

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the municipality to cash flow interest rate risk. Borrowings issued at fixed rates expose the municipality to fair value interest rate risk.

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38. Financial Instruments disclosures

38.1) Credit Risk

The carrying amount of financial assets and loans represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Trade and other receivables	32 582 100	10 990 883
The ageing of trade and other receivables at the reporting date was :		
Current	32 314 709	11 023 034
30 Days	230 032	211 018
60 Days	57 641	90 423
90 Days	10 473	15 962
120 Days plus	6 813	13 749
Less : Provision for bad debt	(37 568)	(363 303)
	32 582 100	10 990 883

The movement in the allowance for bad debt in respect of trade receivables over the year was :

Balance at the beginning of the year	363 303	425 599
Contributions to provisions	17 342	323 996
Expenditure incurred	(343 077)	(386 292)
	37 568	363 303

The allowance for impairment in respect of trade and other receivables is used to record impairment losses until the municipality is satisfied that no recovery of the amount owing is possible. At that point the amount is considered irrecoverable and written off directly against the financial assets.

38.2) Liquidity risk

The following are contractual maturities of financial liabilities, including interest payments and excludes the impact of netting agreements :

Non-derivative financial liabilities 2017	Carrying Amount	Contractual Cash Flows	Within 1 Year	2 - 5 Years	More than 5 Years
Unspent conditional grants and receipts	1 712 584	-	-	-	-
Long term liabilities	57 246 151	-	17 003 568	40 242 583	-
	58 958 735	-	17 003 568	40 242 583	-

38.3) Interest rate risks

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes. Potential concentrations of interest rate risk consist mainly of variable rate deposits investments, long-term debtors, consumer debtors, other debtors and bank and cash balances. The municipality is exposed to interest rate risk as the municipality borrows funds at a fixed interest rate. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the municipality can be required to pay. The financial assets are based on the interest rate provided by the banks and National Government at the reporting date. The municipality's exposure to interest rate risk and the effective interest rates on financial instruments at balance sheet date are as follows :

Non-derivative financial assets 2017	Within 1 Year	2 - 5 Years	More than 5 Years
Trade and other receivables (8,5%)	32 582 100	-	-
Cash and cash equivalents - Cash book balances (3,5% floating)	234 434 001	-	-
	267 016 101	-	-

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38. Financial Instruments disclosures (continued)		
Non-derivative financial liabilities 2017	Within 1 Year	2 - 5 Years
Trade and other payables (Interest free)	6 516 873	
Unspent conditional grants and receipts	1 712 584	
Long term liabilities (12,54%, 11,73%, 8,60500% and 10,87%)	17 003 568	40 242 583
	25 233 025	40 242 583

Sensitivity analysis

An increase of 1% in interest rates at 30 June would have increased / (decreased) financial assets and profit or loss by the amounts shown below. A decrease of 1% in interest rate at 30 June would have had the equal but opposite effect on the above financial instruments, on the basis that all other variables remain constant. There were no changes in the municipality's approach from the prior year.

Non-derivative financial assets 2017

	Statement of Financial Position	Profit or loss
Trade and other receivables	32 582 100	325 821
Cash and cash equivalents - Cash book balances	234 434 001	2 344 340
	267 016 101	2 670 161

38.4) Fair values

Due to their short maturities the fair values of all financial instruments are substantially identical to the values reflected in the statement of financial position.

39. Contingent Liabilities

The municipality is being sued by P Juries. This case involves the provision of housing and the payment of rental by the applicant. Council is contesting the claim based on legal advice. The case number is 16035/2010. The legal expert believes the municipality has a reasonable chance of success.

The municipality is being sued by Brochenbach and five others. The case number is 3754/2012. The legal expert believes the municipality has no risk in this matter.

The municipality is being sued by Tredoux, wife and on behalf of a minor (child). This case involves injuries sustained in an accident which occurred on 11 May 2015 at the intersection of the Koringberg road and the R45 road, Hopefield, Western Cape. Council is contesting the claim based on legal advice. The case number is 6660/08. The legal expert believes the municipality has a reasonable chance of success. This is a High Court matter.

The municipality is being sued by Destiny Tashmeen Henson. This case involves injuries sustained in an accident which occurred on 10 December 2010 on the R311 between Moorreesburg and Hopefield. The case number is 19918/2013. The matter is now in the hands of the insurers.

The municipality is being sued by Mr J A Kock an ex-employee for injuries contained while in the service of the municipality. Council is contesting the claim based on legal advice. The legal expert believes the municipality has a reasonable chance of success.

Based on an assessment done by the legal expert the municipality has no risk in all of the above mentioned matters. Due to this fact no amounts were disclosed by the legal expert, the municipality did not disclose any amounts in the annual financial statements of any of the above applicants.

The municipality is being sued by the Department of Water and Sanitation amounting to R3 193 432 for the rendering of services during this financial year. The municipality is contesting this claim and has a reasonable chance of success.

The municipality is being sued by West Coast Builders (BK) amounting to R2 110 643 for the rendering of services starting in October 2014. The municipality is contesting this claim and has a reasonable chance of success.

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40. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the annual financial statements.

Reasons are only provided for deviations above R100 000 in the annual financial statements. Reasons for deviations below R100 000 can be viewed at the Supply Chain Management Offices.

Wolter Kluwer Tax and Accounting	14 737	-
First Technology	52 989	-
Macnay CC	15 107	-
Drs Stander, van Heerden	15 000	-
Barloworld Equipment	8 752	-
Fintech	5 000	-
Mafoko Security Patrols	29 630	-
Perdeberg Motors	12 664	-
Skaarland Ingenieurswerke	4 251	-
Bell Equipment	17 487	-
Wolter Kluwer Tax and Accounting	57 884	-
Bytes Universal Systems - Goods or services have already been acquired by the municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible because of guarantee, legal, licensing or such other requirements, or it will be impractical or uneconomical to acquire additional similar goods or services from another supplier or service provider.	196 365	-
Ramsay, Son & Parker	5 991	-
Fintech	5 000	-
The Conference Company	4 000	-
Barloworld Equipment	10 534	-
Barloworld Equipment	9 335	-
Global Africa Network - Goods or services have already been acquired by the municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible because of guarantee, legal, licensing or such other requirements, or it will be impractical or uneconomical to acquire additional similar goods or services from another supplier or service provider.	233 884	-
M C Bakwerke	5 190	-
Intec College (Pty) Ltd	15 500	-
Van Schaik Bookstore	2 110	-
Unisa	3 525	-
Golden Rewards 1873 CC	2 520	-
Future Managers	1 580	-
DMISA	6 100	-
Barloworld Equipment	5 361	-
Fintech	5 000	-
Pex Hydraulics	22 613	-
AC Pneumatics	6 534	-
Business Engineering	60 648	-
Barloworld Equipment	8 737	-
Fintech	5 000	-
Barloworld Equipment	16 458	-
Henfred Fruehauf Trailers (Pty) Ltd	9 758	-
Interactive Trading 498 CC	43 164	-
Fintech	5 000	-
Barloworld Equipment	24 620	-
Bytes Universal Systems	5 400	-

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40. Deviation from supply chain management regulations (continued)		
Bytes Universal Systems - Goods or services have already been acquired by the municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible because of guarantee, legal, licensing or such other requirements, or it will be impractical or uneconomical to acquire additional similar goods or services from another supplier or service provider,	265 000	-
South African Institute for Environmental Health	4 000	-
Bytes Universal Systems	4 365	-
Exhibitions	9 276	-
Working on fire	33 437	-
Working on fire	24 439	-
Groter Cederberg Brandbeskerming	2 643	-
Working for water	4 464	-
Barloworld Equipment	9 331	-
B. Hare Plumbers and Renovations	6 500	-
Engine & Gearbox Master	29 518	-
Ezyed - Goods or services have already been acquired by the municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible because of guarantee, legal, licensing or such other requirements, or it will be impractical or uneconomical to acquire additional similar goods or services from another supplier or service provider,	569 457	-
Namibia Tourism Expo	20 253	-
High Power Equipment Africa	7 553	-
A C Pneumatics	12 752	-
Lobour Guide	2 190	-
Telkom SA Limited	3 471	-
Tour and Safari Association of Namibia	3 848	-
Working on fire	2 514	-
Fintech	2 500	-
Perdeberg Motors	2 706	-
Fire Raiders	13 678	-
F E S Manufacturing	28 464	-
West Coast Communications	3 393	-
De Kock Paneelkloppers	13 965	-
Barloworld Equipment	24 120	-
CK Rumboll & Vennote - Exceptional case and it is impractical or impossible to follow the official procurement processes.	1 083 056	-
Bytes Universal Systems	50 560	-
Expo Studio Namibia CC	6 615	-
Wesgro	21 409	-
PSA Africa	2 588	-
SAACE	4 104	-
Working on fire	2 679	-
Groter Cederberg FPA	3 362	-
Working on fire	7 495	-
Working on fire	60 362	-
Groter Cederberg FPA	3 298	-
Fintech	5 000	-
CSX Customer Services	2 246	-
K2T Agencies	2 900	-
DHT Wired	29 600	-
Barloworld Equipment	16 956	-
Komatsu SA	19 789	-
Perdeberg Motors	3 914	-
SALGA	17 571	-
T & F Construction	49 476	-
Juno Corp	11 998	-
ICASA	6 511	-
Fintech	5 000	-
Wolter Kluwer Tax and Accounting	-	13 773

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40. Deviation from supply chain management regulations (continued)		
Fintech	-	5 000
First Technology (Pty) Ltd	-	44 211
Linu Boerdery	-	8 848
Petersfield	-	2 160
SSE Cape	-	17 700
Babcock Equipment	-	13 064
Thatch Treatment Technologies	-	15 600
Thatch Treatment Technologies	-	13 500
Thatch Treatment Technologies	-	4 240
Business Engineering - Goods or services have already been acquired by the Municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible,	-	160 398
Perdeberg Motors	-	4 932
Linu Boerdery	-	8 849
Petersfield	-	2 160
Amtronix (Pty) Ltd	-	5 928
FFA Operations (Pty) Ltd	-	13 337
Forms Media Independent Africa	-	5 000
Altimax Training Academy (Pty) Ltd	-	60 000
Fintech	-	5 000
Kimru IT Logix	-	3 495
Business Engineering	-	60 648
Marce Projects (Pty) Ltd	-	14 881
Global Africa Network - Sole Supplier	-	188 340
Tradestuff 2079 CC t/a Precision Diesel	-	3 042
DMISA	-	5 700
Namibia Tourism Expo	-	23 431
Vissershok Waste Management	-	10 316
Linu Boerdery	-	8 849
Petersfield	-	2 160
VAG-Valves SA (Pty) Ltd	-	2 000
V,I Instruments	-	4 669
Fintech	-	5 000
Lexintons Civils & Plant	-	15 960
IMASA	-	8 820
Groter Cederberg Brandbeskerming	-	2 945
Bytes Universal Systems - Goods or services have already been acquired by the Municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible,	-	819 325
Viking Pony Africa	-	45 000
Bytes Universal Systems	-	22 281
Interactive Trading 498 CC	-	40 626
Mzantsi Koloni Electronics - Goods or services have already been acquired by the Municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible,	-	281 329
IMPSA	-	5 900
Bytes Universal Systems	-	2 395
First Technology (Pty) Ltd	-	1 425
IMESA Conference	-	12 500
Lexintons Civil & Plant	-	46 512
Linu Boerdery	-	8 849
Petersfield	-	2 160
IMESA Conference	-	6 250
Institute of Internal Auditors	-	9 000
Flux Interactive (Pty) Ltd	-	2 850
Wear Check Africa	-	10 021
JB's Nissan	-	3 635
Protea Hotel Stellenbosch	-	9 026

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40. Deviation from supply chain management regulations (continued)		
Perdeberg Motors	-	11 869
Bytes Universal Systems	-	16 156
Bytes Universal Systems	-	2 730
Fintech	-	5 000
Engine & Gearbox Master	-	14 250
Munstel	-	11 420
Academy for Construction Skills	-	32 300
Agrico	-	4 707
First Technology (Pty) Ltd	-	1 425
IMD Conference Exhibitions	-	15 048
Toevlug Sentrum	-	13 520
Exhibition Building Solutions	-	12 312
Piketberg Engineering	-	13 680
Groter Cederberg Brandbeskerming	-	80 500
Steve's Electrical	-	15 000
Linu Boerdery	-	8 849
Petersfield	-	2 160
CSV Water Consulting Engineers	-	7 980
Riviera Hotel	-	3 080
Zaqen Actuaries (Pty) Ltd	-	5 500
Fintech	-	5 000
University of Stellenbosch	-	61 200
Oxbridge Academy (Pty) Ltd	-	10 240
Hyflo Southern Africa (Pty) Ltd	-	30 739
Linu Boerdery	-	8 849
Petersfield	-	2 160
Trac-Tech (Pty) Ltd	-	3 010
Trentyre	-	7 101
High Pressure Services	-	2 676
Piketberg Engineering	-	7 969
Speelgoed Klimrame	-	2 600
Fintech	-	5 000
Microsoft Ireland - Sole Supplier	-	1 185 572
Linu Boerdery	-	8 849
Petersfield	-	2 160
Business Engineering - Goods or services have already been acquired by the Municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible,	-	160 398
Fintech	-	5 000
Tentyre	-	2 571
AAE Services	-	2 489
Ramsay, Son & Parker	-	17 544
FFA Aviation (Pty) Ltd - Emergency	-	556 417
Linu Boerdery	-	8 849
Petersfield	-	2 160
Groter Cederberg Brandbeskerming	-	7 590
Makmesbury Motors	-	5 112
FFA Aviation (Pty) Ltd	-	60 119
Auma South Africa	-	5 173
Supa Quick Moorreesburg	-	2 263
Sulzer Pumps SA	-	13 375
Fintech	-	5 000
FFA Aviation (Pty) Ltd - Emergency	-	104 962
FFA Aviation (Pty) Ltd - Emergency	-	109 733
FFA Aviation (Pty) Ltd	-	52 087
FFA Aviation (Pty) Ltd	-	4 682
Tour and Safari Association	-	3 848
H J van Zyl Meganies	-	29 808
Bytes Universal Systems	-	33 824
Intec College	-	21 531

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40. Deviation from supply chain management regulations (continued)		
Intec College	-	17 800
Mowers Durbanville	-	3 321
Man Truck & Bus	-	2 811
Man Truck & Bus	-	7 083
Ramsay, Son & Parker	-	6 213
Wesgro	-	22 923
Wesgro	-	19 500
Linu Boerdery	-	8 849
Petersfield	-	2 160
Fintech	-	500
Sivad Trading	-	5 366
Price Waterhouse Coopers - Goods or services have already been acquired by the Municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible.	-	583 224
Price Waterhouse Coopers - Goods or services have already been acquired by the Municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible.	-	306 342
Joshua West	-	32 828
Mzantsi Koloni Electronics	-	28 215
Agrico	-	4 545
OCSA Academy of Excellence	-	11 149
Bytes Universal Systems	-	5 586
Josua West	-	20 997
Drainmen Plumbers CC	-	25 604
South African Institute of Environmental Health	-	10 200
University of Stellenbosch	-	8 000
Expo Studio Namibia	-	6 849
Motimer Toyota Weskus	-	1 250
Fintech	-	5 000
Linu Boerdery	-	8 849
Petersfield	-	2 160
Intec College (Pty) Ltd	-	21 531
Unisa	-	12 865
Labour Law Club	-	4 863
FFA Aviation (Pty) Ltd	-	60 010
The Boardwalk Hotel & Spa	-	8 370
JB's Nissan	-	14 985
IMFO	-	6 073
Frank Weigle's Auto Electric CC	-	6 640
J & E Motor Elektriese Dienste	-	2 197
Fintech	-	5 000
Bytes Universal Systems	-	41 348
Groter Cederberg Brandbeskerming	-	3 121
Hyflo Southern Africa	-	25 878
Skills Train Distributors	-	30 882
Barloworld Equipment	-	22 792
ICASA	-	6 120
Linu Boerdery	-	8 849
Petersfield	-	2 160
Fintech	-	7 000
Barloworld Equipment	-	61 222
De Kock Breakdown Services	-	7 500
Fintech	-	5 000
Barloworld Equipment	-	16 614
Barloworld Equipment	-	13 284
Pex Hydraulics	-	17 734
SAICE	-	4 375
Effective Human Interventions	-	6 269

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40. Deviation from supply chain management regulations (continued)		
Sure Swartland Travel - Goods or services have already been acquired by the Municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible.	-	215 200
Intergate Visalink (Pty) Ltd	-	6 872
Linu Boerdery	-	8 849
Petersfield	-	2 160
Provincial Government of the Western Cape	-	39 750
Steve's Electrical	-	5 716
Drainman Plumbers CC	-	5 000
Mzantsi Koloni Equipment	-	4 019
Henred Fruehauf Trailers	-	11 457
Henred Fruehauf Trailers	-	12 597
Wear Check Africa	-	6 977
Overberg Agri	-	2 310
Fintech	-	5 000
Drainman Plumbers CC	-	17 000
Fox Wireless	-	4 500
Improchem (Pty) Ltd - Emergency	-	175 000
Ultra Hersteldienste	-	74 585
Endress+Hauser	-	7 400
	3 473 754	7 112 584

In terms of the Supply Chain Regulations No 27636 - 30 May 2005 Section 45 the municipality is allowed to make awards to close family members of persons in the service of the state, or who have been in the service of the state in the previous twelve months. As per the reporting period the municipality made the following awards :

The transactions were concluded in full compliance with the municipality's Supply Chain Management Policy and the transactions are considered to be at arm's length.

Siphenkosi Protection Services - Mr I Claasen - Bergriver Municipality - Clerk	95 260	209 046
MOGWE (Pty) Ltd - Mrs N Engelbrecht - Clerk - Saldanhabay Municipality	-	32 414
FAMSA - Mrs Joy Warries - Director - City of Cape Town	-	11 012
Lezora Trading - Department of Education - Teacher	-	192 101
Global Africa Network - Mr Sello Mabotja - Department of Agriculture - Director	233 884	188 340
Joseph Poni - Mr J Poni - Department of Correctional Services - Employee	-	993
Aurecon South Africa (Pty) Ltd - Ms T Majola - Member	288 000	40 704
Price Waterhouse Coopers Inc - Mr O Latiff, Shirley Machaba and Suresh Kana - Members	190 136	1 136 109
IOMU Trading (Pty) Ltd - Mrs A Appollis - Department of Correctional Services - In-service training	228 590	379 840
Aon South Africa (Pty) Ltd - Dr N Magua - Executive Director & Non-executive chairperson of NTP Radioisotopes	-	772 041
African Oxygen Limited - Nomfundo Qangule - Goega Development Corporation - Employee	122 366	79 489
M C Bakwerke - Mrs R Mckrieling - West Coast District Municipality - Clerk	32 809	41 498
Agrifusion (Pty) Ltd - Prof A Karaan - Shareholder - National Planning Commission of the Presidency	-	200 000
Global Credit Rating Co - Mr M Ngoasheng - Non-executive director Coega Development Corporation	131 100	96 900
D J Vibrations - Mrss H & M Lakey - Members	-	2 500
Actom - Nkululeko Sowazi - Employee Housing Development Agency	-	8 944
Sivad Trading (Pty) Ltd - Mrs Yvonne Davis Michaels - Clerk - Department of International Relations	78 801	45 755
Cummins South Africa (Pty) Ltd - Mr Xavier Borei - MPU Parks and Tourism - Clerk	-	555
Blackbird Trading CC - Mrs Marlene Smit - Swartland Municipality - Snr Clerk	44 800	142 500
Liplekker Takeaways - Mr Elvin Pedro - Emergency Services - Chief EMS	-	5 592
Golden Rewards 1873 CC - Mr Raynard De Jager - WC : Department of Education - Teacher	32 250	24 925
Ithuba Industries - Mrs De Morney - Sir Lowry's Pass Primary - Teacher	44 232	1 380 106

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40. Deviation from supply chain management regulations (continued)		
Piston Power Chemicals CC - Mrs Nadira Andhee - KZN Department of Education - Teacher	6 288	467 014
JB's Nissan - Mr R Kortje - Department of Education - Teacher	31 493	60 449
JB's Nissan - Mr R Kortje - Department of Education - Teacher	68 972	78 759
Massive Quantum (Pty) Ltd - Mrs Fiona Hendricks - City of Cape Town - Employee	175 630	98 423
ISPY Trade (Pty) Ltd - Mrs N Lebuso - Department of Education Free State	243 151	651 077
Kemanzi (Pty) Ltd - Mr J N du Toit - Traffic Officer	194 490	
Extreme Boards (Pty) Ltd - Mrs Alfreda Matthyse - Director	4 225	
	2 246 477	6 347 086

41. Reticulation Losses

Water

Kiloliters purchased - after purification
Kiloliters sold

22 580 836	25 845 914
(21 976 300)	(23 730 984)

Reticulation loss

604 536	2 114 930
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Percentage

2.68%	8.18%
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The norm for water losses is 10%. The losses occurred due to burst pipes and leaks from the reservoirs to consumers.

Electricity

No electricity losses were incurred

42. Reconciliation between budget and statement of financial performance

Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance. Please refer to Appendix A for more detailed disclosures.

West Coast District Municipality

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
42. Reconciliation between budget and statement of financial performance (continued)		
Net surplus per the statement of financial performance - 2017	40 882 524	-
Adjusted for:		
Accounts Exceeding Budget	-	-
Service charges	(1 576 176)	-
Investment revenue	(12 064 317)	-
Resort income	(198 723)	-
Other own revenue	(2 696 929)	-
Interest on debtors	(4 415)	-
Accounts Not Exceeding Budget	-	-
Employee cost	(4 347 893)	-
Finance charges	(2 022 442)	-
Agency services	2 877 401	-
Licence and Permits	20 000	-
Transfers recognised - operational	1 416 620	-
Bulk purchases	(1 576 503)	-
Debt Impairment	(787 500)	-
Depreciation and Asset impairment	(361 981)	-
Other Expenditure	(15 683 245)	-
Other material	(2 864 896)	-
Accounts Not Budget for:	-	-
Actuarial Gain on Roads receivable	526 821	-
Loss on disposal of assets and liabilities	1 144 954	-
	2 683 300	-
Net surplus per the statement of financial performance - 2016	-	21 304 658
Adjusted for:	-	-
Accounts Exceeding Budget:	-	-
Service charges	-	(3 167 225)
Investment revenue	-	(8 926 155)
Transfers recognised - operational	-	(416 688)
Other own revenue	-	(1 350 192)
Bulk purchases	-	382 893
Accounts Not Exceeding Budget	-	-
Employee cost	-	(9 037 515)
Finance charges	-	(1 720 841)
Other own revenue	-	22 837 777
Materials	-	4 332 967
Other Expenditure	-	(38 761 808)
Accounts Not Budget for:	-	-
Depreciation & Asset Impairment	-	(536 771)
	-	(15 058 900)
43. Road Services		
Revenue recognised	120 592 599	145 936 197
44. Actuarial gains recognised - employee benefits		
Long service awards	702 556	364 355
Medical aid benefits	6 093 505	(16 852)
Road Receivable	-	1 965 675
	6 796 061	2 313 178

West Coast District Municipality

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	2017	2016
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45. Finance Income

Short-term investments	17 906 148	15 947 760
Primary bank account	2 820 669	1 228 395
Other interest	-	-
	20 726 817	17 176 155

46. Allowance for Impairment

Other receivables from exchange transactions	-	69 153
Trade receivables from exchange transactions	-	212 480
	-	281 633

47. Repairs and Maintenance

In accordance with GRAP 17 paragraph 88 and 89 the municipality shall separately disclose expenditure incurred to repair and maintain property, plant and equipment in the notes to the financial statements. Below are repairs and maintenance per asset class and nature:

Repairs and maintenance per asset class	Buildings	Infrastructure	Other	Total - 30 June 2016
Internal Roads - Water Services	-	115 468	-	115 468
Water Reticulation	-	7 798 218	-	7 798 218
Buildings	1 953 420	-	-	1 953 420
Furniture and Office Equipment	-	-	52 721	52 721
Machinery and Equipment	-	-	671 069	671 069
Transport assets	-	-	1 689 656	1 689 656
	1 953 420	7 913 686	2 413 446	12 280 552

The repairs and maintenance expense for the year amounts to R 87 268 487, R 74 987 935 of the amount pertains to the cost of repairs incurred on the provincial roads in terms of the signed agreement between the Department of Transport and Public Works on an agency basis. The remaining R 12 280 552 pertains to repair cost incurred to the municipal assets as depicted in the note above.

Repairs and maintenance per nature - The above balances are part of the following:

Repairs and maintenance

**Statement of
Financial
Performance -
30 June 2016
87 268 487**

West Coast District Municipality

Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

Figures in Rand	2017			2016
Repairs and maintenance per asset class	Buildings	Infrastructure	Other	Total - 30 June 2017
Internal Roads - Water Services	-	22 113	-	22 113
Water Reticulation	-	8 807 860	-	8 807 860
Buildings	1 437 929	-	-	1 437 929
Computer Equipment	-	-	6 278	6 278
Furniture and Office Equipment	-	-	46 242	46 242
Machinery and Equipment	-	-	1 365 283	1 365 283
Transport assets	-	-	955 720	955 720
	1 437 929	8 829 973	2 373 523	12 641 425

The repairs and maintenance expense for the year amounts to R 59 401 766, R46 760 341 of the amount pertains to the cost of repairs incurred on the provincial roads in terms of the signed agreement between the Department of Transport and Public Works on an agency basis. The remaining R 12 641 425 pertains to repair cost incurred to the municipal assets as depicted in the note above.

Repairs and maintenance per nature - The above balances are part of the following:

Repairs and maintenance

**Statement of
Financial
Performance -
30 June 2017
59 401 766**

West Coast District Municipality
Appendix A
June 2017

Actual versus Budget(Revenue and Expenditure) for the year ended 30 June 2017

	Current year 2017	Current year 2017			
	Act. Bal. Rand	Adjusted budget Rand	Variance Rand	Var	Explanation of Significant Variances greater than 10% versus Budget
Revenue					
Service charges	114 320 616	112 744 448	1 576 176	1,4	
Rental of facilities and equipment	3 502 943	3 304 220	198 723	6,0	
Interest received - Investments	20 726 817	8 662 500	12 064 317	139,3	The municipality received a higher interest rate than expected.
Interest received - Debtors	32 505	28 090	4 415	15,7	Increase in outstanding debtors.
Licences and permits	-	20 000	(20 000)	(100,0)	No permits where issued for inland water.
Agency Services	120 592 599	123 470 000	(2 877 401)	(2,3)	
Transfers recognised - Operating	88 917 107	90 333 727	(1 416 620)	(1,6)	
Other revenue	14 177 289	11 480 360	2 696 929	23,5	Actuarial gain on Employee Benefits was higher than expected.
	362 269 876	350 043 337	12 226 539	3,5	
Expenses					
Employee costs	(155 983 110)	(159 016 500)	3 033 390	(1,9)	
Remuneration of councillors	(5 632 858)	(6 947 360)	1 314 502	(18,9)	Higher increase per the Remuneration of Public Office Bearers Act
Debt Impairment	-	(787 500)	787 500	(100,0)	The municipality corrected it's Bad Debt reserve, no contribution was needed.
Depreciation and asset impairment	(14 254 279)	(14 616 260)	361 981	(2,5)	
Finance charges	(7 276 198)	(9 298 640)	2 022 442	(21,7)	Interest of ABSA loan payable in August.
Bulk purchases	(8 723 497)	(10 300 000)	1 576 503	(15,3)	Increase in water tariffs due to drought conditions.
Other materials	(58 012 264)	(60 877 160)	2 864 896	(4,7)	Reclassifications per implementation of mSCOA
Other expenditure	(69 833 371)	(85 516 617)	15 683 246	(18,3)	Reclassifications per implementation of mSCOA
	(319 715 577)	(347 360 037)	27 644 460	(8,0)	
Other revenue and costs					

West Coast District Municipality

Appendix A

June 2017

Actual versus Budget(Revenue and Expenditure) for the year ended 30 June 2017

	Current year 2017 Act. Bal.	Current year 2017 Adjusted budget	Variance	Explanation of Significant Variances greater than 10% versus Budget
Actuarial loss on road receivable	(526 821)	-	(526 821)	-
Loss on disposal of assets and liabilities,	(1 144 954)	-	(1 144 954)	-
	(1 671 775)	-	(1 671 775)	-
Net surplus/ (deficit) for the year	40 882 524	2 683 300	38 199 224	423,6

Unaudited schedule:

Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description	2016/2017						2015/2016								
	Original Budget (i.e. s28 and s31 of the MFMA)	Budget Adjustments (i.e. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.e. s31 of the MFMA)	Virement (i.e. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R R thousand	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Revenue - Standard															
Governance and administration	82 872	2 131	85 004	-	-	85 004	96 618	-	11 614	113.86	116.59	-	-	-	89 382
Executive and council	2 237	961	3 198	-	-	3 198	1 437	-	(1 760)	44.95	64.26	-	-	-	1 971
Budget and treasury office	80 630	-	80 630	-	-	80 630	94 068	-	14 038	117.41	117.41	-	-	-	87 401
Corporate services	5	1 170	1 175	-	-	1 175	512	-	(663)	43.57	9 753.12	-	-	-	10
Community and public safety	26 378	179	26 557	-	-	26 557	27 468	-	911	103.43	104.13	-	-	-	23 711
Community and social services	3 304	-	3 304	-	-	3 304	3 655	-	351	110.61	110.61	-	-	-	3 036
Sport and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	12 164	-	12 164	-	-	12 164	12 765	-	601	104.94	104.94	-	-	-	10 848
Housing	2 043	-	2 043	-	-	2 043	1 923	-	(120)	94.11	94.11	-	-	-	1 628
Health	8 867	179	9 046	-	-	9 046	9 126	-	80	100.88	102.91	-	-	-	8 189
Economic and environmental services	123 470	-	123 470	-	-	123 470	122 339	-	(1 131)	99.08	99.08	-	-	-	147 972
Planning and development	-	-	-	-	-	-	57	-	57	-	-	-	-	-	-
Road transport	123 470	-	123 470	-	-	123 470	122 282	-	(1 188)	99.04	99.04	-	-	-	147 972
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	114 013	1 000	115 013	-	-	115 013	115 845	-	833	100.72	101.81	-	-	-	114 799
Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water	114 013	1 000	115 013	-	-	115 013	115 845	-	833	100.72	101.81	-	-	-	114 799
Waste water management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	346 734	3 310	350 043	-	-	350 043	362 270	-	12 227	103.49	104.48	-	-	-	375 863
Expenditure - Standard															
Governance and administration	57 579	2 131	59 710	-	-	59 710	49 812	-	(9 899)	83.42	86.51	-	-	-	52 750
Executive and council	22 209	961	23 170	-	-	23 170	20 644	-	(2 526)	89.10	92.95	-	-	-	19 775
Budget and treasury office	24 032	-	24 032	-	-	24 032	17 125	-	(6 906)	71.26	71.26	-	-	-	23 987
Corporate services	11 338	1 170	12 508	-	-	12 508	12 042	-	(466)	96.27	106.21	-	-	-	9 988
Community and public safety	64 497	179	64 675	-	-	64 675	67 680	-	2 985	104.61	104.90	-	-	-	57 390
Community and social services	4 787	-	4 787	-	-	4 787	4 619	-	(168)	96.49	96.49	-	-	-	4 335
Sport and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	37 741	-	37 741	-	-	37 741	40 184	-	2 443	106.47	106.47	-	-	-	33 239
Housing	1 297	-	1 297	-	-	1 297	1 139	-	(158)	87.79	87.79	-	-	-	1 336
Health	20 672	179	20 850	-	-	20 850	21 718	-	868	104.16	105.06	-	-	-	18 481
Economic and environmental services	114 590	-	114 590	-	-	114 590	114 127	-	(463)	99.60	99.60	-	-	-	133 778
Planning and development	3 106	-	3 106	-	-	3 106	3 151	-	46	101.47	101.47	-	-	-	3 213
Road transport	111 485	-	111 485	-	-	111 485	110 976	-	(509)	99.54	99.54	-	-	-	130 565
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	107 384	1 000	108 384	-	-	108 384	89 788	-	(18 596)	82.84	83.61	-	-	-	110 640
Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water	107 384	1 000	108 384	-	-	108 384	89 788	-	(18 596)	82.84	83.61	-	-	-	110 640
Waste water management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	344 050	3 310	347 360	-	-	347 360	321 387	-	(25 973)	92.52	93.41	-	-	-	354 559
Surplus/(Deficit) for the year	2 683	-	2 683	-	-	2 683	40 883	-	38 199	-	-	-	-	-	21 304

Unaudited schedule:

Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2016/2017						2015/2016								
	Original Budget	Budget Adjustments (I.I.O. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (I.I.O. s31 of the MFMA)	Virement (I.I.O. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Revenue by Vote															
Vote 1 - COMMUNITY SERVICES	89 623	889	90 512	-	-	90 512	96 675	-	6 163	106.81	107.87	-	-	-	89 382
Vote 2 - SUBSIDISED SERVICES	15 731	1 421	17 152	-	-	17 152	21 890	-	4 738	127.62	139.15	-	-	-	19 046
Vote 3 - ECONOMIC SERVICES	3 304	-	3 304	-	-	3 304	3 655	-	351	110.61	110.61	-	-	-	3 036
Vote 4 - HOUSING	2 043	-	2 043	-	-	2 043	1 923	-	(120)	94.11	94.11	-	-	-	1 628
Vote 5 - TRADING SERVICES	112 563	1 000	113 563	-	-	113 563	115 845	-	2 283	102.01	102.92	-	-	-	114 799
Vote 6 - AGENCIES	123 470	-	123 470	-	-	123 470	122 282	-	(1 188)	99.04	99.04	-	-	-	147 972
Vote 7 - [NAME OF VOTE 7]															
Vote 8 - [NAME OF VOTE 8]															
Vote 9 - [NAME OF VOTE 9]															
Vote 10 - [NAME OF VOTE 10]															
Vote 11 - [NAME OF VOTE 11]															
Vote 12 - [NAME OF VOTE 12]															
Vote 13 - [NAME OF VOTE 13]															
Vote 14 - [NAME OF VOTE 14]															
Vote 15 - [NAME OF VOTE 15]															
Total Revenue by Vote	346 734	3 310	350 043	-	-	350 043	362 270	-	12 227	103.49	104.48	-	-	-	375 863
Expenditure by Vote to be appropriated															
Vote 1 - COMMUNITY SERVICES	68 008	889	68 897	-	-	68 897	57 722	-	(11 175)	83.78	84.87	-	-	-	55 963
Vote 2 - SUBSIDISED SERVICES	56 611	1 421	58 032	-	-	58 032	56 800	-	(1 231)	97.88	100.34	-	-	-	51 720
Vote 3 - ECONOMIC SERVICES	4 787	-	4 787	-	-	4 787	4 619	-	(168)	96.49	96.49	-	-	-	4 335
Vote 4 - HOUSING	1 297	-	1 297	-	-	1 297	1 139	-	(158)	87.79	87.79	-	-	-	1 336
Vote 5 - TRADING SERVICES	101 863	1 000	102 863	-	-	102 863	90 132	-	(12 731)	87.62	88.48	-	-	-	110 640
Vote 6 - AGENCIES	111 485	-	111 485	-	-	111 485	110 976	-	(509)	99.54	99.54	-	-	-	130 565
Vote 7 - [NAME OF VOTE 7]															
Vote 8 - [NAME OF VOTE 8]															
Vote 9 - [NAME OF VOTE 9]															
Vote 10 - [NAME OF VOTE 10]															
Vote 11 - [NAME OF VOTE 11]															
Vote 12 - [NAME OF VOTE 12]															
Vote 13 - [NAME OF VOTE 13]															
Vote 14 - [NAME OF VOTE 14]															
Vote 15 - [NAME OF VOTE 15]															
Total Expenditure by Vote	344 050	3 310	347 360	-	-	347 360	321 387	-	(25 973)	92.52	93.41	-	-	-	354 599
Surplus/(Deficit) for the year	2 683	-	2 683	-	-	2 683	40 883	-	38 199	0	0	-	-	-	21 304

Unaudited schedule:

Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2016/2017					2015/2016									
	Original Budget: Adjustments (i.e. s28 and s31 of the MFMA)	Budget Adjustments (i.e. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.e. s31 of the MFMA)	Virement (i.e. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Revenue By Source															
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	112 744	-	112 744	-	-	112 744	114 321	-	1 576	101.40	101.40	-	-	-	113 875
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	3 304	-	3 304	-	-	3 304	3 603	-	199	108.01	108.01	-	-	-	3 036
Interest earned - external investments	8 663	-	8 663	-	-	8 663	20 727	-	12 064	238.27	238.27	-	-	-	17 176
Interest earned - outstanding debtors	28	-	28	-	-	28	33	-	4	115.71	115.71	-	-	-	46
Actual gains recognised Employee Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	20	-	20	-	-	20	-	-	(20)	-	-	-	-	-	-
Agency services	123 470	-	123 470	-	-	123 470	120 593	-	(2 877)	97.67	97.67	-	-	-	145 936
Transfers recognised - operational	87 024	3 310	90 334	-	-	90 334	88 917	-	(1 417)	98.43	102.18	-	-	-	88 127
Other revenue	11 480	-	11 480	-	-	11 480	14 177	-	2 697	123.49	123.49	-	-	-	7 667
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	346 734	3 310	350 043	-	-	350 043	382 270	-	12 227	103.49	104.48	-	-	-	375 863
Expenditure By Type															
Employee related costs	159 017	-	159 017	-	-	159 017	155 963	-	(3 053)	98.09	98.09	-	-	-	145 541
Remuneration of councillors	6 947	-	6 947	-	-	6 947	5 633	-	(1 315)	81.08	81.08	-	-	-	6 153
Debt Impairment	788	-	788	-	-	788	-	-	(788)	-	-	-	-	-	282
Depreciation & asset impairment	14 616	-	14 616	-	-	14 616	14 254	-	(362)	97.52	97.52	-	-	-	13 598
Finance charges	9 299	-	9 299	-	-	9 299	7 276	-	(2 022)	78.25	78.25	-	-	-	8 943
Bulk purchases	10 300	-	10 300	-	-	10 300	8 723	-	(1 577)	84.69	84.69	-	-	-	10 683
Other materials	60 877	-	60 877	-	-	60 877	58 437	-	(2 440)	95.99	95.99	-	-	-	89 459
Contracted services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	82 207	3 310	85 517	-	-	85 517	69 935	-	(15 582)	81.78	85.07	-	-	-	59 616
Loss on disposal of PPE	-	-	-	-	-	-	1 145	-	1 145	-	-	-	-	-	20 285
Total Expenditure	344 050	3 310	347 360	-	-	347 360	321 387	-	(25 973)	92.52	93.41	-	-	-	354 559
Surplus/(Deficit)	2 683	-	2 683	-	-	2 683	40 883	-	38 199	1 523.59	1 523.59	-	-	-	21 304
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	2 683	-	2 683	-	-	2 683	40 883	-	38 199	1 523.59	1 523.59	-	-	-	21 304
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	2 683	-	2 683	-	-	2 683	40 883	-	38 199	1 523.59	1 523.59	-	-	-	21 304
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	2 683	-	2 683	-	-	2 683	40 883	-	38 199	1 523.59	1 523.59	-	-	-	21 304
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	2 683	-	2 683	-	-	2 683	40 883	-	38 199	1 523.59	1 523.59	-	-	-	21 304

30 November 2017

Unaudited schedule:

30 November 2017

Unaudited schedule:

Reconciliation of Table A7 Budgeted Cash Flows

Description	2016/2017						2015/2016		
	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Final Budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
	1	2	3	6	7	9	10	11	12
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Service charges	112 744	-	110 708	110 708	114 321	3 613	103.26	101.40	113 875
Government - operating	87 024	3 310	86 332	86 332	88 917	2 585	102.99	102.18	88 127
Other revenue	138 275	-	179 524	179 524	111 869	(67 655)	62.31	80.90	144 916
Interest	8 691	-	8 277	8 277	20 727	12 450	-	-	17 176
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(319 348)	(3 310)	(355 214)	(355 214)	(294 886)	60 328	83.02	92.34	(306 038)
Finance charges	(9 299)	-	(10 664)	(10 664)	(7 276)	3 388	68.23	78.25	(8 943)
Transfers and Grants	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	18 087	-	18 962	18 962	33 671	14 709	177.57	186.16	49 113
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (Increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current investments	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	(11 305)	-	(7 162)	(7 162)	(10 660)	(3 498)	148.84	94.30	(6 168)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(11 305)	-	(7 162)	(7 162)	(10 660)	(3 498)	148.84	94.30	(6 168)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-
Payments									
Repayment of borrowing	(15 493)	-	(14 127)	(14 127)	(15 492)	(1 364)	109.66	99.99	(14 998)
Finance lease payments	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	(15 493)	-	(14 127)	(14 127)	(15 492)	(1 364)	109.66	99.99	(14 998)
NET INCREASE/ (DECREASE) IN CASH HELD	(8 710)	-	(2 328)	(2 328)	7 519	9 847	-	-	27 948
Cash/cash equivalents at the year begin:	198 967	-	169 038	169 038	226 915	57 876	-	-	198 967
Cash/cash equivalents at the year end:	190 257	-	166 711	166 711	234 434	67 723	-	-	226 915

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Appendix B

June 2017

Analysis of property, plant and equipment as at 30 June 2017 Cost/Revaluation Accumulated depreciation

	Opening Balance Rand		Correction Rand		Additions Rand		Disposals Rand		WIP Rand		Reclassification Rand		Closing Balance Rand		Opening Balance Rand		Correction Rand		Additions Rand		Disposals Rand		Reclassification Rand		Closing Balance Rand		Carrying value Rand	
Land and buildings																												
Land	26 131 390	-	-	-	-	-	-	-	-	-	-	-	26 131 390	-	-	-	-	-	-	-	-	-	-	-	-	-	26 131 390	-
	26 131 390												26 131 390														26 131 390	
Infrastructure																												
Electricity supply / Reticulation	449 112	-	-	-	-	-	-	-	-	-	-	-	449 112	-	-	-	-	-	-	-	-	-	-	-	-	-	332 834	-
Transformers	323 519	-	-	-	-	-	-	-	-	-	-	-	323 519	-	-	-	-	-	-	-	-	-	-	-	-	-	251 650	-
Cables	181 753	-	-	-	-	-	-	-	-	-	-	-	181 753	-	-	-	-	-	-	-	-	-	-	-	-	-	138 519	-
Mini sub stations	216 440	-	-	-	-	-	-	-	-	-	-	-	216 440	-	-	-	-	-	-	-	-	-	-	-	-	-	133 805	-
Water purifications	47 638 430	-	-	-	-	-	-	-	-	-	-	-	47 638 430	-	-	-	-	-	-	-	-	-	-	-	-	-	41 080 576	-
Water Reticulation	144 443 479	-	-	-	-	-	-	-	-	-	-	-	144 443 479	-	-	-	-	-	-	-	-	-	-	-	-	-	100 785 507	-
Dams	482 718	-	-	-	-	-	-	-	-	-	-	-	482 718	-	-	-	-	-	-	-	-	-	-	-	-	-	170 874	-
Pump Stations	7 412 104	-	-	-	-	-	-	-	-	-	-	-	7 412 104	-	-	-	-	-	-	-	-	-	-	-	-	-	5 590 498	-
Reservoirs	111 891 119	-	-	-	-	-	-	-	-	-	-	-	111 891 119	-	-	-	-	-	-	-	-	-	-	-	-	-	89 884 225	-
Waste Purification	5 524 730	-	-	-	-	-	-	-	-	-	-	-	5 524 730	-	-	-	-	-	-	-	-	-	-	-	-	-	4 492 725	-
Electric Panels	418 683	-	-	-	-	-	-	-	-	-	-	-	418 683	-	-	-	-	-	-	-	-	-	-	-	-	-	302 457	-
Electricity Perimeter Protection	44	-	-	-	-	-	-	-	-	-	-	-	44	-	-	-	-	-	-	-	-	-	-	-	-	-	33	-
Other	56 560	-	-	-	-	-	-	-	-	-	-	-	56 560	-	-	-	-	-	-	-	-	-	-	-	-	-	33 200	-
	493 401	-	-	-	-	-	-	-	-	-	-	-	493 401	-	-	-	-	-	-	-	-	-	-	-	-	-	363 937	-
	319 322 092												323 076 084														243 479 951	
Community Assets																												
Residences (Personnel)	5 592 082	-	-	-	-	-	-	-	-	-	-	-	5 592 082	-	-	-	-	-	-	-	-	-	-	-	-	-	4 330 539	-
Warehouses	1 816 003	-	-	-	-	-	-	-	-	-	-	-	1 816 003	-	-	-	-	-	-	-	-	-	-	-	-	-	869 448	-
Community halls	988 437	-	-	-	-	-	-	-	-	-	-	-	988 437	-	-	-	-	-	-	-	-	-	-	-	-	-	541 414	-
Office Buildings	6 693 328	-	-	-	-	-	-	-	-	-	-	-	6 693 328	-	-	-	-	-	-	-	-	-	-	-	-	-	3 680 987	-
Recreational facilities	136 642	-	-	-	-	-	-	-	-	-	-	-	136 642	-	-	-	-	-	-	-	-	-	-	-	-	-	75 988	-
Clinics	1 602 754	-	-	-	-	-	-	-	-	-	-	-	1 602 754	-	-	-	-	-	-	-	-	-	-	-	-	-	1 342 894	-
Non residential perimeter protection	19 046	-	-	-	-	-	-	-	-	-	-	-	19 046	-	-	-	-	-	-	-	-	-	-	-	-	-	12 001	-
Abolition / Public Facilities	60 000	-	-	-	-	-	-	-	-	-	-	-	60 000	-	-	-	-	-	-	-	-	-	-	-	-	-	(230 239)	-
Workshops / Store Rooms	1 982 728	-	-	-	-	-	-	-	-	-	-	-	1 982 728	-	-	-	-	-	-	-	-	-	-	-	-	-	1 177 724	-
Public Parking	1 004 546	-	-	-	-	-	-	-	-	-	-	-	1 004 546	-	-	-	-	-	-	-	-	-	-	-	-	-	582 488	-
Fire, safety & emergency	36 190 633	-	-	-	-	-	-	-	-	-	-	-	36 190 633	-	-	-	-	-	-	-	-	-	-	-	-	-	21 285 625	-
Car Ports / Garage	379 564	-	-	-	-	-	-	-	-	-	-	-	379 564	-	-	-	-	-	-	-	-	-	-	-	-	-	209 555	-
Internal Roads	683 042	-	-	-	-	-	-	-	-	-	-	-	683 042	-	-	-	-	-	-	-	-	-	-	-	-	-	411 663	-
	57 138 805												57 544 834														34 290 087	

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June 2017

Analysis of property, plant and equipment as at 30 June 2017 Cost/Revaluation

Accumulated depreciation

	Opening Balance Rand	Correction Rand	Additions Rand	Disposals Rand	WIP Rand	Reclassification Rand	Closing Balance Rand	Opening Balance Rand	Correction Rand	Additions Rand	Disposals Rand	Reclassification Rand	Closing Balance Rand	Carrying value Rand
Heritage assets														
Specialised vehicles														
Other assets														
General vehicles	34 496 580	-	1 561 927	(1 191 392)	-	-	34 867 115	(24 118 955)	-	(2 086 318)	333 871	-	(25 871 402)	8 995 713
Audiovisual equipment	441 110	-	-	(27 706)	-	-	413 404	(333 346)	-	(46 173)	26 515	-	(353 004)	80 400
Computer equipment	4 985 380	-	313 761	(280 366)	-	-	4 987 775	(3 144 405)	-	(596 570)	271 886	-	(3 469 087)	1 518 688
Domestic equipment	44 676	-	8 507	(2 721)	-	-	50 462	(31 642)	-	(4 859)	2 283	-	(34 217)	16 245
Electrical wire and power distribution	9 254	-	-	-	-	-	9 254	(863)	-	(860)	-	-	(1 823)	7 431
Emergency / Rescue equipment	1 146 456	-	81 072	(64 224)	-	-	1 163 304	(454 066)	-	(113 574)	25 367	-	(542 273)	621 031
Elevator Systems	6 398	-	-	-	-	-	6 398	(6 183)	-	(26)	-	-	(6 209)	189
Fire fighting equipment	3 927 501	-	1 192 937	(272 117)	-	-	4 848 321	(2 189 558)	-	(594 001)	145 704	-	(2 637 855)	2 210 466
Gardening equipment	174 583	-	59 272	(3 472)	-	-	230 383	(147 065)	-	(29 012)	3 391	-	(172 686)	57 687
Kitchen appliances	461 343	-	54 802	(20 499)	-	-	495 646	(303 116)	-	(28 610)	15 264	-	(316 462)	179 184
Laboratory equipment	588 833	-	448 184	(24 182)	-	-	992 835	(404 154)	-	(60 624)	21 586	-	(443 193)	549 642
Medical and Allied equipment	134 688	-	-	-	-	-	134 688	(121 561)	-	(15 762)	-	-	(137 323)	17 345
Pump / plumbing	175 969	-	1 949 283	(5 790)	-	-	2 119 462	(22 193)	-	(77 485)	661	-	(99 017)	2 020 445
Radio equipment	2 628 874	-	315 053	(338 116)	-	-	2 605 811	(1 381 880)	-	(261 035)	255 303	-	(1 387 612)	1 208 199
Security equipment	105 987	-	75 962	(13 872)	-	-	188 077	(10 726)	-	(24 333)	3 567	-	(31 492)	136 585
Workshop equipment	3 284 564	-	162 770	(397 238)	-	-	3 050 096	(2 745 175)	-	(221 357)	373 939	-	(2 592 593)	457 503
Air conditioners	805 417	-	81 983	(82 113)	-	-	805 287	(654 167)	-	(66 291)	69 917	-	(650 541)	154 746
Office furniture	4 003 813	-	73 186	(121 121)	-	-	3 955 878	(3 418 329)	-	(216 755)	109 236	-	(3 525 848)	430 030
Domestic and Hostel furniture	1 601 076	-	151 407	(53 295)	-	-	1 699 188	(1 327 735)	-	(58 127)	51 356	-	(1 334 506)	364 682
Other	1 546 453	-	-	(2 356)	-	-	1 544 097	(654 635)	-	(61 070)	2 299	-	(713 406)	830 691
	60 548 835	-	6 530 106	(2 910 580)	-	-	64 168 461	(41 479 752)	-	(4 562 941)	1 712 144	-	(44 330 549)	19 837 912

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June 2017

Analysis of property, plant and equipment as at 30 June 2017 Cost/Revaluation Accumulated depreciation

	Opening Balance Rand	Correction Rand	Additions Rand	Disposals Rand	WIP Rand	Reclassification Rand	Closing Balance Rand	Opening Balance Rand	Correction Rand	Additions Rand	Disposals Rand	Reclassification Rand	Closing Balance Rand	Carrying value Rand
Total property plant and equipment														
Land and buildings	26 131 390	-	3 752 992	-	-	-	26 131 390	(73 114 055)	-	(6 481 078)	-	-	(79 595 133)	26 131 390
Infrastructure	319 322 092	-	584 299	(178 270)	-	-	323 075 984	(20 642 384)	-	(2 690 385)	78 002	-	(23 254 747)	243 479 951
Community Assets	57 138 805	-	6 530 106	(2 910 580)	-	-	64 168 461	(41 479 752)	-	(4 562 941)	1 712 144	-	(44 330 649)	34 290 087
Other assets	60 548 935	-	-	-	-	-	60 548 935	-	-	-	-	-	-	19 837 912
463 141 222			10 867 397	(3 088 850)			470 919 769	(135 236 171)		(13 734 404)	1 790 146		(147 100 429)	323 739 340
Agricultural/Biological assets														
Intangible assets														
Computers - software & programming	3 303 007	-	-	(31 250)	-	-	3 271 757	(2 274 104)	-	(486 664)	9 374	-	(2 761 394)	520 363
3 303 007				(31 250)			3 271 757	(2 274 104)		(486 664)	9 374		(2 761 394)	520 363
Investment properties														
Investment property	5 508 050	-	-	-	-	-	5 508 050	(902 558)	-	(33 210)	-	-	(935 768)	4 572 282
5 508 050							5 508 050	(902 558)		(33 210)			(935 768)	4 572 282
Total														
Land and buildings	26 131 390	-	3 752 992	-	-	-	26 131 390	(73 114 055)	-	(6 481 078)	-	-	(79 595 133)	26 131 390
Infrastructure	319 322 092	-	584 299	(178 270)	-	-	323 075 984	(20 642 384)	-	(2 690 385)	78 002	-	(23 254 747)	243 479 951
Community Assets	57 138 805	-	6 530 106	(2 910 580)	-	-	64 168 461	(41 479 752)	-	(4 562 941)	1 712 144	-	(44 330 649)	34 290 087
Other assets	60 548 935	-	-	-	-	-	60 548 935	-	-	-	9 374	-	(2 761 394)	19 837 912
Intangible assets	3 303 007	-	-	(31 250)	-	-	3 271 757	(2 274 104)	-	(486 664)	-	-	(935 768)	520 363
Investment properties	5 508 050	-	-	-	-	-	5 508 050	(902 558)	-	(33 210)	-	-	(935 768)	4 572 282
471 952 279			10 867 397	(3 120 100)			479 699 576	(138 412 833)		(14 264 278)	1 799 520		(150 867 591)	328 831 985

West Coast District Municipality Appendix B

Analysis of property, plant and equipment as at 30 June 2016 Cost/Revaluation Accumulated depreciation

	Opening Balance Rand	Correction Rand	Additions Rand	Disposals Rand	WIP Rand	Reclassification Rand	Closing Balance Rand	Opening Balance Rand	Correction Rand	Additions Rand	Disposals Rand	Reclassification Rand	Closing Balance Rand	Carrying Value Rand
Land and buildings														
Land	23 017 847	3 113 543	-	-	-	-	26 131 390	-	-	-	-	-	-	26 131 390
	23 017 847	3 113 543	-	-	-	-	26 131 390	-	-	-	-	-	-	26 131 390
Infrastructure														
Roads, Pavements & Bridges	225 425	-	-	-	-	(225 425)	-	(90 880)	-	(11 228)	-	-	(90 880)	(90 880)
Electricity supply / Reticulation	21 521	-	-	-	-	427 591	449 112	(10 458)	-	(6 890)	-	(85 405)	(107 091)	342 021
Transformers	257 896	-	-	-	-	65 623	323 519	(76 780)	-	(6 890)	-	18 270	(65 180)	258 339
Cables	181 753	-	-	-	-	-	181 753	(25 761)	-	(4 039)	-	(9 396)	(39 196)	142 557
Mini sub stations	200 624	-	-	-	-	15 816	216 440	(88 994)	-	(7 083)	-	20 524	(75 553)	140 887
Water purification	48 402 490	-	2 432 357	-	-	(3 196 417)	47 638 430	(13 142 205)	-	(700 410)	-	7 959 885	(5 882 730)	41 755 700
Water Reticulation	165 008 496	-	463 216	(19 136 797)	-	(1 891 436)	144 443 479	(26 876 153)	-	(3 190 034)	-	(14 142 488)	(44 208 675)	100 234 804
Dams	110 344	-	-	-	-	372 374	482 718	(23 552)	-	(22 953)	-	(242 308)	(288 653)	193 865
Pump Stations	9 558 693	-	-	-	-	(2 146 589)	7 412 104	(2 298 074)	-	(185 841)	-	838 929	(1 644 986)	5 767 118
Reservoirs	108 671 547	-	-	-	-	3 009 572	111 681 119	(23 585 440)	-	(2 237 150)	-	6 311 221	(19 531 369)	92 149 750
Waste Purifications	5 524 730	-	-	-	-	-	5 524 730	(954 656)	-	-	-	-	(954 656)	4 570 074
Landfill Sites	882 265	-	-	(882 265)	-	-	-	-	-	-	-	-	-	-
Substation Switch Gear	-	-	-	-	-	418 683	418 683	-	-	(10 454)	-	(95 317)	(105 771)	312 912
Electrical Panels	-	-	-	-	-	44	44	-	-	1	-	(11)	(10)	34
Electrical Perimeter Protection	-	-	-	-	-	56 560	56 560	-	-	(2 262)	-	(18 836)	(21 098)	35 462
Other	-	-	-	-	-	493 401	493 401	-	-	(9 186)	-	(88 799)	(97 985)	395 416
	339 045 784	-	2 886 673	(20 019 062)	-	(2 600 203)	319 322 092	(67 172 965)	-	(6 407 369)	-	466 269	(73 114 055)	246 208 037
Community Assets														
Residences (Personnel)	5 431 361	-	-	-	-	160 721	5 592 082	(2 044 585)	-	(187 925)	-	930 230	(1 302 260)	4 289 802
Warehouses	1 556 144	-	-	-	-	289 559	1 845 703	(631 069)	-	(90 768)	-	(133 951)	(865 768)	960 215
Community halls	980 019	-	-	-	-	8 418	988 437	(400 175)	-	(35 236)	-	43 624	(391 787)	576 650
Office Buildings	6 689 126	-	-	-	-	4 202	6 693 328	(2 706 077)	-	(334 658)	-	372 697	(2 668 038)	4 025 290
Recreational facilities	226 945	-	17 081	-	-	(107 384)	139 642	(61 295)	-	(5 279)	-	13 467	(54 107)	82 535
Clinics	1 158 390	-	-	-	-	444 364	1 602 754	(425 300)	-	(44 495)	-	254 429	(215 366)	1 387 388
Non residential perimeter protection	19 046	-	-	-	-	-	19 046	(6 863)	-	(767)	-	(11 197)	(45 000)	15 000
Abolition / Public Facilities	75 000	-	-	-	-	(15 000)	60 000	(30 804)	-	(2 989)	-	66 790	(587 053)	1 395 565
Workshops / Store Rooms	2 205 613	-	-	-	-	(222 885)	1 982 728	(574 546)	-	(79 307)	-	(98 356)	(401 833)	602 713
Public Parking	609 863	-	-	-	-	394 683	1 004 546	(252 251)	-	(50 226)	-	(1 298 196)	(13 464 930)	22 725 703
Fire, safety & emergency	36 190 633	-	-	-	-	-	36 190 633	(10 357 246)	-	(1 809 488)	-	(132 307)	(161 168)	228 406
Car Ports / Garage	-	-	-	-	-	379 554	379 554	-	-	(18 851)	-	(231 610)	(255 465)	436 547
Internal Roads	-	-	-	-	-	683 042	683 042	-	-	(24 865)	-	(468 269)	(20 642 364)	36 496 441
	55 122 140	-	17 081	-	-	1 999 554	57 138 805	(17 480 211)	-	(2 685 884)	-	(468 269)	(20 642 364)	36 496 441

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June 2017

Analysis of property, plant and equipment as at 30 June 2016 Cost/Revaluation

Accumulated depreciation

	Opening Balance Rand	Correction Rand	Additions Rand	Disposals Rand	WIP Rand	Reclassification Rand	Closing Balance Rand	Opening Balance Rand	Correction Rand	Additions Rand	Disposals Rand	Reclassification Rand	Closing Balance Rand	Carrying value Rand
Heritage assets														
Specialised vehicles														
Other assets														
General vehicles	35 446 782	-	685 424	(1 635 626)	-	-	34 496 580	(23 464 733)	-	(1 949 375)	1 295 153	-	(24 118 956)	10 377 625
Audiovisual equipment	352 909	-	88 201	-	-	-	441 110	(294 003)	-	(39 343)	-	-	(333 346)	107 764
Computer equipment	4 533 055	-	494 884	(62 559)	-	-	4 965 380	(2 657 440)	-	(533 881)	46 918	-	(3 144 403)	1 820 977
Domestic equipment	36 736	-	9 346	(1 406)	-	-	44 676	(29 408)	-	(3 540)	1 306	-	(31 642)	13 034
Electrical wire and power distribution	351	-	8 903	-	-	-	9 254	(210)	-	(653)	-	-	(853)	8 391
Emergency / Rescue equipment	1 146 456	-	-	-	-	-	1 146 456	(345 899)	-	(108 167)	-	-	(454 066)	692 390
Elevator systems	6 398	-	-	-	-	-	6 398	(6 157)	-	(26)	-	-	(6 183)	215
Fire fighting equipment	2 607 222	-	1 320 279	-	-	-	3 927 501	(1 808 428)	-	(381 130)	-	-	(2 189 558)	1 737 943
Gardening equipment	174 583	-	-	-	-	-	174 583	(127 599)	-	(19 466)	-	-	(147 065)	27 518
Kitchen appliances	412 419	-	53 203	(4 279)	-	-	461 343	(284 066)	-	(22 985)	3 965	-	(303 116)	159 227
Laboratory equipment	531 913	-	44 937	(8 017)	-	-	568 833	(366 130)	-	(45 820)	7 796	-	(404 154)	164 679
Medical and Allied equipment	154 668	-	-	-	-	-	154 668	(105 800)	-	(15 761)	-	-	(121 561)	33 107
Pump / plumbing	40 843	-	135 126	-	-	-	175 969	(16 224)	-	(5 969)	-	-	(22 193)	153 776
Radio equipment	2 531 743	-	292 245	(195 114)	-	-	2 628 874	(1 235 074)	-	(265 920)	109 114	-	(1 391 880)	1 236 994
Security equipment	11 433	-	94 554	-	-	-	105 987	(1 700)	-	(9 026)	-	-	(10 726)	95 261
Workshop equipment	3 388 187	-	102 310	(205 933)	-	-	3 284 564	(2 683 111)	-	(208 620)	146 556	-	(2 745 175)	539 389
Air conditioners	763 673	-	41 744	-	-	-	805 417	(593 328)	-	(60 839)	-	-	(654 167)	151 250
Office Furniture	4 086 430	-	37 312	(118 929)	-	-	4 003 813	(3 335 869)	-	(186 537)	104 097	-	(3 418 329)	586 484
Domestic and Hostel furniture	1 528 181	-	72 897	-	-	-	1 601 078	(1 284 980)	-	(42 755)	-	-	(1 327 735)	273 343
Other	931 404	-	14 430	-	-	-	1 546 463	(566 737)	-	(87 898)	-	-	(654 636)	891 818
	58 684 366	-	3 495 786	(2 231 863)	-	600 619	60 548 937	(39 206 946)	-	(3 987 711)	1 714 906	-	(41 479 752)	19 069 186

West Coast District Municipality

Appendix B

June 2017

Analysis of property, plant and equipment as at 30 June 2016 Cost/Revaluation Accumulated depreciation

	Opening Balance Rand	Correction Rand	Additions Rand	Disposals Rand	WIP Rand	Reclassification Rand	Closing Balance Rand	Opening Balance Rand	Correction Rand	Additions Rand	Disposals Rand	Reclassification Rand	Closing Balance Rand	Carrying value Rand
Total property plant and equipment														
Land and buildings	23 017 847	3 113 543	2 895 573	(20 019 062)	-	(2 600 203)	26 131 390	(67 172 955)	-	(6 407 369)	-	466 269	(73 114 055)	26 131 390
Infrastructure	339 045 784	-	17 081	-	-	1 999 584	319 322 092	(17 490 211)	-	(2 685 884)	-	(466 269)	(20 642 364)	246 208 037
Community Assets	55 122 140	-	3 485 795	(2 231 863)	-	600 619	57 138 805	(39 206 946)	-	(3 987 711)	1 714 905	-	(41 479 752)	36 496 441
Other assets	58 684 386	-	-	-	-	-	60 648 937	-	-	-	-	-	(41 479 752)	19 069 185
	475 870 157	3 113 543	6 408 449	(22 250 925)	-	-	463 141 224	(123 870 112)	-	(13 080 964)	1 714 905	-	(135 236 171)	327 905 063
Agricultural/Biological assets														
Intangible assets														
Computers - software & programming	3 271 757	-	31 250	-	-	-	3 303 007	(1 790 560)	-	(483 544)	-	-	(2 274 104)	1 028 903
	3 271 757	-	31 250	-	-	-	3 303 007	(1 790 560)	-	(483 544)	-	-	(2 274 104)	1 028 903
Investment properties														
Investment property	5 508 050	-	-	-	-	-	5 508 050	(869 347)	-	(33 211)	-	-	(902 558)	4 605 492
	5 508 050	-	-	-	-	-	5 508 050	(869 347)	-	(33 211)	-	-	(902 558)	4 605 492
Total														
Land and buildings	23 017 847	3 113 543	2 895 573	(20 019 062)	-	(2 600 203)	26 131 390	(67 172 955)	-	(6 407 369)	-	466 269	(73 114 055)	26 131 390
Infrastructure	339 045 784	-	17 081	-	-	1 999 584	319 322 092	(17 490 211)	-	(2 685 884)	-	(466 269)	(20 642 364)	246 208 037
Community Assets	55 122 140	-	3 485 795	(2 231 863)	-	600 619	57 138 805	(39 206 946)	-	(3 987 711)	1 714 905	-	(41 479 752)	36 496 441
Other assets	58 684 386	-	-	-	-	-	60 648 937	-	-	-	-	-	(41 479 752)	19 069 185
Intangible assets	3 271 757	-	31 250	-	-	-	3 303 007	(1 790 560)	-	(483 544)	-	-	(2 274 104)	1 028 903
Investment properties	5 508 050	-	-	-	-	-	5 508 050	(869 347)	-	(33 211)	-	-	(902 558)	4 605 492
	484 649 964	3 113 543	6 439 699	(22 250 925)	-	-	471 952 281	(126 530 019)	-	(13 597 719)	1 714 905	-	(138 412 833)	333 539 448

West Coast District Municipality
Appendix C
June 2017

Segmental analysis of property, plant and equipment as at 30 June 2017

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment deficit Rand	Closing Balance Rand	Carrying value Rand
Municipality														
Executive & Council/Mayor and Council	1 309 032	32 887	(185 412)	-	-	-	1 156 507	(1 059 470)	463 439	-	(78 959)	-	(674 990)	481 517
Finance & Admin/Finance Planning and Development/Economic Development/Plan	44 485 438	220 200	(502 125)	-	-	-	44 203 513	(10 986 383)	473 786	-	(1 749 859)	-	(12 262 456)	31 941 057
Health/Clinics	2 931 261	370 573	(83 231)	-	-	-	79 852	(64 685)	376	-	(5 019)	-	(69 328)	10 524
Comm. & Social/Libraries and archives	9 891 334	1 115 545	(95 682)	-	-	-	3 218 603	(1 336 605)	75 989	-	(123 884)	-	(1 384 500)	1 834 103
Public Safety/Police	74 559 658	2 659 493	(1 385 523)	-	-	-	9 911 217	(3 443 200)	88 545	-	(191 545)	-	(3 546 200)	6 385 017
Water/Water Distribution	338 696 285	7 458 898	(887 728)	-	-	-	75 843 628	(37 605 031)	487 224	-	(4 210 484)	-	(41 328 291)	34 515 337
							345 288 255	(83 917 457)	210 161	-	(7 894 529)	-	(91 601 825)	253 684 430
Municipal Owned Entities														
Total	471 952 279	10 867 396	(3 120 100)	-	-	-	479 699 575	(138 412 831)	1 799 520	-	(14 254 279)	-	(150 867 590)	328 831 985
Municipality														
	471 952 279	10 867 396	(3 120 100)	-	-	-	479 699 575	(138 412 831)	1 799 520	-	(14 254 279)	-	(160 867 590)	328 831 985
Total	471 952 279	10 867 396	(3 120 100)	-	-	-	479 699 575	(138 412 831)	1 799 520	-	(14 254 279)	-	(160 867 590)	328 831 985

West Coast District Municipality

Appendix D

June 2017

Segmental Statement of Financial Performance for the year ended 30 June 2016

Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand	Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand
Municipality					
1 970 816	18 774 734	(16 803 918)	Executive & Council/Mayor and Council	20 644 244	(19 206 855)
87 411 026	33 974 953	53 436 073	Finance & Admin/Finance	26 658 090	68 522 391
-	3 213 066	(3 213 066)	Planning and Development/Economic Development/Plan	3 151 409	(3 094 460)
8 198 528	18 481 246	(10 282 718)	Health/Clinics	21 717 968	(12 592 272)
1 628 481	1 335 627	292 854	Housing	1 138 889	783 741
10 847 861	33 238 735	(22 390 874)	Public Safety/Police	40 184 324	(27 419 796)
3 035 663	4 334 540	(1 298 877)	Sport and Recreation	4 856 106	(1 201 300)
147 971 623	131 580 452	16 391 171	Road Transport/Roads	110 976 034	11 306 041
114 799 245	109 625 232	5 174 013	Water/Water Distribution	90 060 308	25 785 034
375 863 243	354 558 585	21 304 658		319 387 352	42 882 524
Municipal Owned Entities					
Other charges					
375 863 243	354 558 585	21 304 658	Municipality	319 387 352	42 882 524
375 863 243	354 558 585	21 304 658	Total	319 387 352	42 882 524

West Coast District Municipality

Appendix E (1)

June 2017

Schedule of external loans as at 30 June 2017

Loan Number	Redeemable	Balance at 30 June 2016	Received during the period	Redeemed written off during the period	Balance at 30 June 2017	Carrying Value of Property, Plant & Equip	Other Costs in accordance with the MFMA
		Rand	Rand	Rand	Rand	Rand	Rand
1	30/06/2018	9 418 330	-	4 422 283	4 996 047	-	-
1	30/06/2020	21 793 217	-	4 544 644	17 248 573	-	-
1	31/12/2021	22 026 457	-	3 524 926	18 501 531	-	-
1	31/10/2022	19 500 000	-	3 000 000	16 500 000	-	-
		72 738 004	-	15 491 853	57 246 151	-	-

External Loans

Sanlam Credit Conduit (Pty) Ltd
DBSA
ABSA
DBSA

West Coast District Municipality
Appendix E(2)
June 2017

Budget Analysis of Capital Expenditure as at 30 June 2017

	Additions		Revised Budget		Variance		Variance		Explanation of significant variances from budget
	Rand		Rand		Rand		%		
Municipality									
Executive & Council/Mayor and Council	8 320		10 000		1 680		17	Savings on project	
Finance & Admin/Finance	561 950		565 800		3 850		1		
Health	25 483		28 100		2 617		9		
Public Safety	2 688 595		2 894 880		206 285		7		
Sport and Recreation	115 544		116 000		456		3		
Water/Water Distribution	7 451 801		7 690 000		238 199		3		
	10 851 693		11 304 780		453 087		4		

West Coast District Municipality
Appendix F
Disclosures of Grants and Subsidies In terms of Section 123 MFMA, 56 of 2003
June 2017

Name of Grants	Quarterly Receipts						Quarterly Expenditure						Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act
	Mar	Jun	Sep	Dec	Mar	Mar	Jun	Sep	Dec	Mar	Yes/No		
EPWP Grant	300 000	-	259 000	466 000	311 000	209 847	189 521	101 232	286 666	324 346	Yes		
FMG Grant	-	-	1 250 000	-	-	308 681	389 304	59 560	263 292	303 675	Yes		
Mayor fund	-	314 781	-	-	-	(2 189)	311 223	3 000	3 000	1 000	Yes		
Rural roads management	-	-	1 300 000	1 124 000	-	1 707 722	(2 685)	170 091	1 124 827	169 475	Yes		
Capacity building health	180 000	-	-	-	-	-	51 406	26 774	44 977	67 459	Yes		
MSIG	-	-	-	-	-	215 405	432 243	-	-	110 526	Yes		
Work for water	558 265	-	172 886	586 442	240 670	102 680	235 328	107 429	159 257	315 882	Yes		
Provincial finance management	350 000	650 000	-	-	-	112 745	166 922	81 905	45 372	92 365	Yes		
grant	78 823	179 795	-	-	-	253 998	(34 252)	-	54 886	-	Yes		
Rainwater tanks	-	-	-	-	180 000	-	-	-	-	-	Yes		
Provincial : Local government internship	-	-	-	-	-	-	-	-	-	-	Yes		
Provincial : mSCOA	-	-	-	-	220 000	-	-	-	-	-	Yes		
	1 467 088	1 144 576	2 981 886	2 176 442	951 670	2 908 889	1 739 010	549 991	1 982 277	1 384 728			